Use these links to rapidly review the document
TABLE OF CONTENTS
ITEM 15. FINANCIAL STATEMENTS AND EXHIBITS

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1
to
FORM 10

**GENERAL FORM FOR REGISTRATION OF SECURITIES
PURSUANT TO SECTION 12(b) OR 12(g) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Spinco, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**36-4673192**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

110 N. Wacker Drive
Chicago, IL 60606
(Address of principal executive offices) (Zip Code)

(312) 960-5000
(Registrant's telephone number, including area code)

Copies to:

Thomas Nolan, Jr. President and Chief Operating Officer Spinco, Inc. 110 N. Wacker Drive Chicago, IL 60606 (312) 960-5000	**Matthew D. Bloch, Esq.** **Heather L. Emmel, Esq.** Weil, Gotshal & Manges LLP 767 Fifth Avenue New York, New York (212) 310-8000 (Phone) (212) 310-8007 (Fax)

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

Title of each class to be so registered	Name of each exchange on which each class is to be registered
Common stock, $0.01 par value per share	New York Stock Exchange

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

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 the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

TABLE OF CONTENTS

EXPLANATORY NOTE

This registration statement is being filed by Spinco, Inc. ("Spinco") in order to register its common stock pursuant to Section 12(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Spinco is a newly formed Delaware corporation that was created to hold certain assets and liabilities of General Growth Properties, Inc. ("GGP") and its subsidiaries (collectively, the "Predecessors"). In conjunction with a plan of reorganization filed by GGP and certain of its subsidiaries under Chapter 11 of title 11 of the United States Code (as the same may be amended, modified or supplemented from time to time, the "Plan"), Spinco will receive certain of the assets and liabilities of the Predecessors (the "Separation"), which we refer to as our business. We expect the reorganization to be completed during the fourth quarter of 2010 (such time of completion is referred to herein as the "Effective Date"). Pursuant to the Plan, on or prior to the Effective Date, approximately 32.5 million shares of common stock of Spinco (0.0983 shares of Spinco common stock for each share of GGP common stock, which is based upon a maximum number of Spinco shares and options and warrants to acquire Spinco common stock), will be distributed or issued to the common and preferred unit holders of GGP Limited Partnership ("GGPLP"), which includes GGP, and then GGP will distribute its portion of such shares to holders of GGP common stock (the "Distribution") and the Plan Sponsors (as defined herein) will purchase $250.0 million shares of our common stock at $47.619048 per share. The per share price for Spinco common stock has been adjusted from the originally contemplated per share purchase price to net the fees associated with the eliminated Spinco rights offering and to reflect a reduction in the number of shares of Spinco common stock that will be issued for the same aggregate consideration on the Effective Date. GGP will not retain any ownership interest in Spinco. Unless otherwise noted, all information contained in this registration statement relates to Spinco after the Effective Date. Spinco is not required to file this registration statement pursuant to the Securities Act of 1933, as amended (the "Securities Act"), and this registration statement shall not constitute an offer to sell, nor a solicitation of an offer to buy, its securities. An application has been made to list Spinco's common stock on the New York Stock Exchange (the "NYSE").

USE OF NON-GAAP MEASURES

We present EBITDA, Adjusted EBITDA and Total Levered MPC Free Cash Flow, all as defined below, in this registration statement as supplemental measures of our performance that are not required by, or presented in accordance with, accounting principles generally accepted in the United States of America ("GAAP"). They are not measures of our financial performance under GAAP and should not be considered as alternatives to any other performance measures derived in accordance with GAAP or as alternatives to cash flow from operating activities as measures of our liquidity.

EBITDA is defined as net income (loss) attributable to controlling interests (currently, GGP), plus interest expense net of interest income, income tax provision (benefit), depreciation and amortization. We calculate Adjusted EBITDA by adjusting EBITDA for the following items: (a) costs incurred with respect to reorganization items following GGP's filing for bankruptcy protection, including gains on liabilities subject to compromise, interest income, U.S. Trustee fees and other restructuring items; (b) our 2009 and 2008 strategic initiatives, which consist of GGP's pre-bankruptcy filing restructuring costs; and (c) provisions for impairment. We present EBITDA and Adjusted EBITDA because we believe certain investors use them as additional measures of a company's historical operating performance and its ability to service and incur debt. We believe that the inclusion of supplementary adjustments to EBITDA applied in presenting Adjusted EBITDA is appropriate to provide additional information to investors because Adjusted EBITDA excludes certain non-recurring and/or non-cash items, including bankruptcy and restructuring costs, which we believe are not indicative of our core operating performance and which are not excluded in the calculation of EBITDA. In addition, we present EBITDA and Adjusted EBITDA of our properties that we own jointly with independent joint venture partners under the proportionate share method. Under the proportionate share method, our share of revenues and expenses of such properties are aggregated with the revenues and expenses of our combined properties.

Total Levered MPC Free Cash Flow ("MPC Free Cash Flow") is calculated by modifying Adjusted EBITDA for land development expenditures (net of public financing reimbursements); non-cash elements of revenue and expense including collections of deposits, deferred revenues and builders notes receivable; reflecting interest payments and participation payments and distributions received. We present MPC Free Cash Flow as a supplementary measure for our Master Planned Communities segment as we believe investors evaluate the performance of the master planned community business on its cash flows as well as other GAAP and non-GAAP measures.

EBITDA and Adjusted EBITDA should not be considered as alternatives to GAAP net income (loss) attributable to controlling interests, and you should not consider them in isolation, or as substitutes for analysis of our results as reported under GAAP. Similarly, MPC Free Cash Flow should not be considered a substitute for cash flow from operating activities. Some of the limitations inherent in these non-GAAP measures are that:

- they do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect the cash requirements necessary to service interest or principal payments on our debt;
- they do not reflect any cash income taxes that we may be required to pay;
- assets are depreciated or amortized over differing estimated useful lives and often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements;
- they do not adjust for all non-cash income or expense items that are reflected in our statements of cash flows;
- they do not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations;
- they do not reflect the value of our non-income producing assets;
- they may not be calculated in the same manner as research analysts calculate EBITDA or Adjusted EBITDA or in the same manner as may be required by any current or future indebtedness;
- they do not reflect limitations on, or costs related to, transferring earnings from our subsidiaries and unconsolidated joint ventures to us; and
- other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

For a reconciliation of Adjusted EBITDA and EBITDA to net income (loss) attributable to controlling interests, see "Summary Historical Combined Financial Data." For a reconciliation of MPC Free Cash Flow to combined net cash (used in) provided by operating activities, see "Management's Discussion and Analysis of Results of Operations and Financial Condition—Supplemental Master Planned Communities Data."

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This registration statement contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this registration statement are forward-looking statements. Forward-looking statements give our current expectations relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to current or historical facts. These statements may include words such as "anticipate," "estimate," "expect," "project," "forecast," "plan," "intend," "believe," "may," "should," "would," "likely," and other words of similar expression.

Forward-looking statements should not be unduly relied upon. They give our expectations about the future and are not guarantees. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements to materially differ from any future results, performance and achievements expressed or implied by such forward-looking statements. We caution you, therefore, not to rely on these forward-looking statements.

In this registration statement, for example, we make forward-looking statements discussing our expectations about:

- capital required for our operations and development opportunities for the properties in our Strategic Development segment following the Distribution;
- expected performance of our Master Planned Communities segment and other current income producing properties;
- future management;
- future liquidity;
- future development opportunities;
- expenses we expect to incur as a stand-alone entity;
- future development spending; and
- future management plans.

Factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include:

- our history of losses;
- our lack of operating history as an independent company;
- our reliance on an interim management company;
- our inability to obtain operating and development capital;
- our inability to establish our own financial, administrative and other support functions to operate as a stand-alone business and loss of operational efficiency we had as a part of GGP;
- our new directors and officers may change our long-range plans;
- a prolonged recession in the national economy and adverse economic conditions in the retail sector;
- our inability to compete effectively;
- potential conflicts with GGP after the Distribution arising from agreements with GGP with respect to certain of our assets;

- our inability to control certain of our properties due to the joint ownership of such property and our inability to successfully attract desirable strategic partners;

- risks associated with the Distribution not qualifying as a tax-free distribution for U.S. federal income tax purposes;

- the Plan Sponsors (as subsequently defined) having influence over us, whose interests may be adverse to ours or yours; and

- the other risks described in "Risk Factors."

These forward-looking statements present our estimates and assumptions only as of the date of this registration statement. Except as may be required by law, we undertake no obligation to modify or revise any forward-looking statements to reflect events or circumstances occurring after the date of this registration statement.

SUMMARY

We are a newly formed Delaware corporation that was created to hold certain assets and liabilities of General Growth Properties, Inc. ("GGP") and its subsidiaries (collectively, the "Predecessors"). In conjunction with the third amended and restated plan of reorganization filed by GGP and certain of its subsidiaries under Chapter 11 of title 11 of the United States Code (as it may be further amended, modified or supplemented from time to time, the "Plan"), we will receive certain of the assets and liabilities of the Predecessors and substantially all of our common stock will be distributed to the holders of GGP's common stock in the Distribution. GGP will not retain any ownership interest in us.

To date, we have not conducted any business and will not have any material assets or liabilities until the Separation and the Distribution are completed. We expect the reorganization of GGP and certain of its subsidiaries to be completed during the fourth quarter of 2010 (such time of completion is referred to herein as the "Effective Date"), at which time we will own the Predecessors' properties and related assets and liabilities described herein, which we refer to as our business. The description of the business to be transferred to us by the Predecessors is presented herein as if the transferred business was our business for all historical periods described. Unless the context otherwise requires, references to "we," "us" and "our" refer to Spinco, Inc. and its subsidiaries and joint venture interests after giving effect to the Separation and the Distribution.

The items in the following summary are described in more detail later in this registration statement. This summary provides an overview of selected information and does not contain all the information you should consider before making a future investment decision with respect to our securities. Therefore, you should also read the more detailed information set out in this registration statement, including the risk factors, the combined financial statements and the notes thereto, and the other documents to which this registration statement refers before making an investment decision.

Overview

On April 16, 2009 and April 22, 2009 (collectively, the "Petition Date"), GGP and certain of its subsidiaries filed voluntary petitions for relief (the "Chapter 11 Cases") in the Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") under Chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). On August 27, 2010, GGP filed with the Bankruptcy Court its third amended and restated Plan (as supplemented on September 30, 2010) and the related disclosure statement (as it may be further amended, modified or supplemented from time to time, the "Disclosure Statement") for the debtors remaining in the Chapter 11 Cases (the "TopCo Debtors"). The Plan sets forth the contemplated structure of GGP and the TopCo Debtors following the Effective Date. We refer to the public company successor to GGP following the Effective Date as "reorganized GGP." See "Business—Bankruptcy Proceedings."

We are a real estate company created to specialize in the development of master planned communities and other strategic real estate development opportunities across the United States. Our goal is to create sustainable, long-term growth and value for our stockholders. We own a diverse portfolio of properties with a relatively small amount of debt (an amount equal to 11.7% of our total assets as of June 30, 2010) and with near, medium and long-term development opportunities, including our master planned communities, mall development projects and a series of mixed-use development opportunities in premier locations. As operated by the Predecessors, our master planned communities have won numerous awards for, among other things, design and community contribution. We expect the competitive position and desirable location of certain of our assets (which collectively comprise millions of square feet and thousands of acres of developable land), combined with their operations and long-term opportunity through entitlements, land and home site sales and project developments, to drive our income and growth. We expect to pursue development opportunities for a number of our assets that were postponed by the Predecessors due to lack of liquidity resulting from deteriorating economic conditions, the credit market collapse and certain of the Predecessors' bankruptcy filings in April 2009, and to develop plans for other assets for which no plans had been developed. We expect to assess the opportunities for these assets, which are currently in various stages of completion, to determine how to finance their completion and how to maximize their long-term value potential, which may include entering into joint venture arrangements.

For the year ended December 31, 2009, our net loss attributable to controlling interests and Adjusted EBITDA were $703.6 million and $21.5 million, respectively, and for the six months ended June 30, 2010, our net loss attributable to controlling interests and Adjusted EBITDA were $48.6 million and $10.7 million, respectively. As of June 30, 2010, our combined debt was $340.5 million and our share of the debt of our Real Estate Affiliates (as defined below) was $196.2 million and we had $2.9 billion of total assets. As a newly formed company with no operating history as a stand alone company and a history of losses and negative cash flow from operations, there are significant risks to investing in our securities. See "Risk Factors" and "Management's Discussion and Analysis and Results of Operations—Liquidity and Capital Resources."

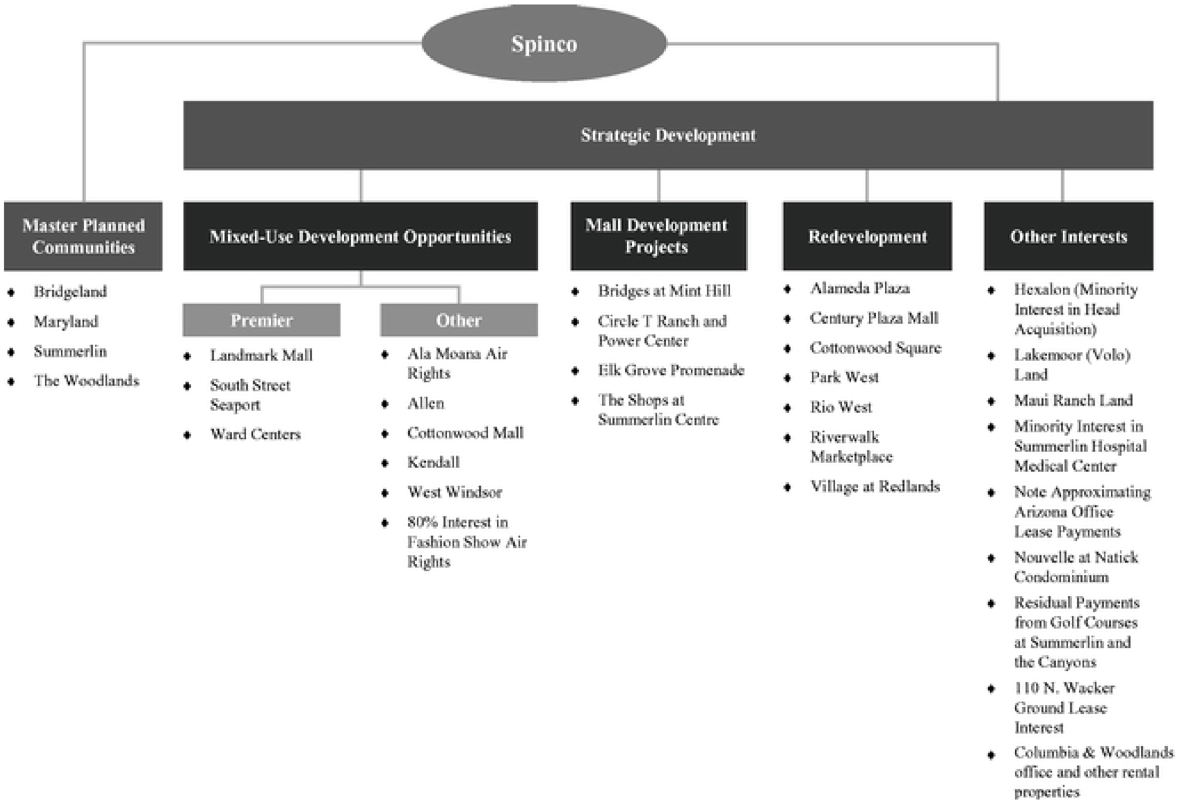
We operate our business in two lines of business: Master Planned Communities and Strategic Development.

Master Planned Communities. Our Master Planned Communities segment consists of the development and sale of residential and commercial land, primarily in large-scale projects. We currently own four master planned communities (including four separate communities in Maryland that are commonly, and collectively, referred to as the "Maryland communities") with over 14,000 acres of land remaining to be sold in desirable locations, which in some cases have no land suitable for large-scale residential development nearby. Residential sales, which are made primarily to home builders, include standard, custom and high density (*i.e.*, condominium, town homes and apartments) parcels. Standard residential lots are designated for detached and attached single- and multi-family homes, ranging from entry-level to luxury homes. Commercial sales include parcels designated for retail, office, services and other for-profit activities, as well as those parcels designated for use by government, schools and other not-for-profit entities.

Strategic Development. Our Strategic Development segment is made up of a diverse mix of near, medium and long-term real estate properties and development projects, some of which we believe have the potential to create meaningful value. For example, the Hawaii Community Development Authority ("HCDA") approved a 15-plus year master plan that will permit us to transform 60 acres of land at our Ward Centers project in Honolulu, Hawaii into a vibrant and diverse neighborhood of residences, shops, entertainment and offices. Our Strategic Development segment includes nine mixed-use development opportunities, four mall development projects, seven redevelopment projects and eleven other property interests, including ownership of various land parcels and certain profit interests.

Table of Contents

The chart below presents our assets by reportable segment and, with respect to our Strategic Development reportable segment, our current expectation of the type of development opportunity:



We own non-controlling investments and interests in The Woodlands Partnerships and Circle T, which we account for using the equity method, and the cost method for non-ownership rights in certain real estate assets. We collectively refer to these investments as our "Real Estate Affiliates." See "Note 3 Real Estate Affiliates" of our audited combined financial statements and "Note 5 Real Estate Affiliates" of our unaudited combined financial statements each included elsewhere in this registration statement.

The table below sets forth certain financial information for our two segments as of June 30, 2010 and as of December 31, 2009, or, as applicable, for the six months ended June 30, 2010 and for the year ended December 31, 2009.

	As of or For the Six Months Ended June 30, 2010			As of or For the Year Ended December 31, 2009		
	Master Planned Communities	Strategic Development	Total	Master Planned Communities	Strategic Development	Total
	(dollars in thousands)			(dollars in thousands)		
Adjusted EBITDA—Segment basis	$ (1,259)	$ 11,924	$ 10,665	$ 1,243	$ 20,280	$ 21,523
Net Book Value of Assets	1,762,679	836,347	2,599,026	1,741,878	945,378	2,687,256
Combined Mortgages, notes and loans payable(*)	80,223	260,272	340,495	82,011	260,822	342,833

(*) In addition, our share of our Real Estate Affiliates debt was $196.2 million at June 30, 2010.

Competitive Strengths

We believe that we will distinguish ourselves through the following competitive strengths:

Award Winning Master Planned Communities. We believe that we are a leader in the master planned communities business. As operated by the Predecessors, the master planned communities in our portfolio have won numerous awards for, among other things, design and community contribution. In 2009, Bridgeland was awarded the "Master Planned Community of the Year" by the National Association of Home Builders. Our communities represent over 78,000 total acres and we have over 14,000 acres of land remaining to be sold in desirable locations. These communities are located in areas of the country that feature strong demographic fundamentals, such as high income and population growth rates. We believe that it would be difficult for other real estate development companies to acquire significant parcels of land in areas with similar demographics. While the economic downturn and housing recession has slowed land and home site sales across the nation, we believe that the long-term value of these communities remains strong given their competitive positioning and our expertise in long-range land use planning and entitlements for communities such as these.

Development Opportunities in Premier Locations. We will have the opportunity to develop mixed-use properties in some of the highest quality and most desirable economic and demographic regions of the United States, including Ward Centers in Honolulu, Hawaii; Landmark Mall in Alexandria, Virginia; and South Street Seaport in Manhattan, New York. Ward Centers is situated along prime Hawaiian oceanfront property located within one mile of downtown Honolulu and within walking distance of the Ala Moana Center, one of the highest traffic and sales volume regional malls in the world. At our Landmark Mall, we have certain limited entitlements to construct buildings as tall as 25 stories on some parcels, which could be used for retail, residential and commercial development, subject to acquisition of the 30 acres of adjacent lands from the anchor store owners and demolition of the existing mall structures. In addition, the South Street Seaport property is located in downtown Manhattan on the waterfront adjacent to the financial center of Wall Street.

Experienced Management Team. The Predecessors' existing experienced master planned community operational management team will be joining us on the Effective Date. We intend to hire industry-leading senior executives with master planned community and other real estate development expertise to complement this existing operational management team. Utilizing their significant experience managing our master planned community assets, the existing operational management team will maintain its current focus on our properties for the benefit of us and our stockholders. In addition, until our permanent senior executives have been selected, Brookfield Asset Management and its affiliates ("Brookfield Advisors") will provide certain management services to Spinco pursuant to an interim management agreement (the "Management Agreement"). Brookfield Advisors is a pre-eminent global real estate company. Brookfield Advisors will apply its considerable expertise in developing and operating premier real estate assets and experience in successfully managing our business by providing us with interim executive officers and commercial, technical, administrative and strategic services until our permanent executive management team can be identified and assume their roles. The Management Agreement has an initial term of six months subject to extension for up to an additional six months at our option, subject to good faith negotiation with respect to certain terms.

Business Strategy

We will seek to maximize what we believe is the significant long-term value potential of our assets and create a leading real estate development company, while providing our stockholders with appropriate long-term returns commensurate with development risk. Given the makeup of our assets, particularly the undeveloped land in our Master Planned Communities segment, we will not elect to be treated as a real estate investment trust, or REIT, for U.S. federal income tax purposes; however, one of our subsidiaries, Victoria Ward, Limited, is and will continue to be treated as a REIT. Given the capital and operational differences between our two business segments, we intend to follow specific strategies in each business segment to maximize the value of our assets. Our strategies for each segment are detailed below.

Master Planned Communities Segment. In our Master Planned Communities segment, we plan to grow long-term value for our stockholders through continued improvements, entitlements and land development. We believe we have the potential to generate high cash flow in this segment because we expect our capital investment in properties to generally coincide with anticipated sales. With expertise in large-scale, long-range land use planning, residential and commercial real estate development, sales and other special skills, we intend to leverage our operational management team to oversee our operations. One of our primary strategies is to develop and sell land in a manner that increases the value of the remaining land to be developed and to provide current cash flows. To implement our strategy, we intend to build upon the experienced operational professionals who will join us from the Predecessors and, on an interim basis, engage Brookfield Advisors to provide certain executive-level services.

Strategic Development Segment. Our portfolio of strategic development assets represents a diverse mix of near, medium and long-term real estate properties and development projects. We expect to pursue development opportunities for a number of our assets that were postponed by the Predecessors due to lack of liquidity resulting from deteriorating economic conditions, the credit market collapse and certain of the Predecessors' bankruptcy filings in April 2009. We expect to assess the opportunities for these assets, which are currently in various stages of completion, and determine how to finance their completion and how to maximize their long-term value potential. Any such development will require resources which may be significant in some cases. Real estate development is a capital intensive business with multi-year time frames for each project that will require higher leverage than our master planned communities segment will require. We expect to fund our development projects with a mix of construction, bridge and long-term financing, as well as joint venture equity. In the latter situations, we would expect to contribute the land and development expertise and planning to projects and form strategic and institutional partnerships to operate and finance these projects. We also do not intend to be a general contractor or property manager for most of our assets in this segment, and therefore will consider outsourcing the majority of property management, design and construction responsibilities to third parties.

Our Business

Master Planned Communities

Our Master Planned Communities segment consists of the development and sale of residential and commercial land, primarily in large-scale projects in and around Columbia, Maryland; Houston, Texas; and Las Vegas, Nevada.

Revenues are derived primarily from the sale of finished lots, including infrastructure and amenities, and undeveloped property to both residential and commercial developers. Additional revenues are earned through participations with builders in their sales of finished homes to homebuyers. Revenues and Adjusted EBITDA are affected by factors such as the availability to purchasers of construction and permanent mortgage financing at acceptable interest rates, consumer and business confidence, regional economic conditions in the areas surrounding the projects, employment levels, levels of homebuilder inventory, other factors generally affecting the homebuilder business and sales of residential properties, availability of saleable land for particular uses and our decisions to sell, develop or retain land. For our more mature communities such as in Columbia, Maryland, we are also creating new design plans to increase density and add additional neighborhoods.

Master planned communities in the United States have suffered due to continued weak demand in the residential real estate market following the sharp decline in 2007. As a business venture, development of master planned communities requires expertise in large-scale, long-range land use planning, residential and commercial real estate development, sales and other special skills. The development of these communities requires decades of investment and a continual focus on the changing market dynamics surrounding these communities. In recent periods, the economic downturn has slowed land and home site sales, requiring the development and growth of these communities to be delayed. We believe that the long-term value of our communities remains strong given their competitive positioning and our expertise in long-range land use planning and entitlements for communities such as these.

The following table summarizes our master planned communities as of June 30, 2010:

Community	Location	Ownership (%)	Total/Gross Acres(a)	People Living in community (Approx. No.)	Remaining Saleable Acres(b) Residential(c)	Commercial(d)	Total	Redevelopment Acres(e)	Projected Community Sell-Out Date
Bridgeland	Houston, TX	100.0	11,400	3,250	3,981	1,246	5,227	—	2036
Summerlin	Las Vegas, NV	100.0	22,500	100,000	6,559	625	7,184	—	2039
The Woodlands	Houston, TX	52.5(f)	28,400	94,000	1,063	1,018	2,081	—	2017
Maryland Communities									
Columbia	Howard County, MD	100.0	14,200	100,000	—	—	—	136	2035(g)
Gateway	Howard County, MD	100.0	630	—	—	121	121	—	2013
Emerson	Howard County, MD	100.0	520	2,000	12	68	80	—	2013
Fairwood	Prince George's County, MD	100.0	1,100	2,300	—	11	11	—	2013
Total			78,750	301,550	11,615	3,089	14,704	136	

(a) Encompasses all of the land located within the borders of the master planned community, including parcels already sold, saleable parcels and non-saleable areas, such as roads, parks and recreation and conservation areas.

(b) Includes only parcels that are intended for sale. The mix of intended use, as well as the amount of remaining saleable acres, are primarily based on assumptions regarding entitlements and zoning of the remaining project and are likely to change over time as the master plan is refined.

(c) Includes standard, custom and high density residential land parcels. Standard residential lots are designated for detached and attached single- and multi-family homes, of a broad range, from entry-level to luxury homes. At Summerlin, we have designated certain residential parcels as custom lots as their premium price reflects their larger size and other distinguishing features—such as being within a gated community, having golf course access, or being located at higher elevations. High density residential includes townhomes, apartments and condominiums.

(d) Designated for retail, office, services and other for-profit activities, as well as those parcels allocated for use by government, schools, houses of worship and other not-for-profit entities.

(e) Reflects the number of acres we expect to redevelop.

(f) Reflects our economic interest. Our ownership interest is 42.5% and we jointly make decisions with our joint venture partner.

(g) Reflects the projected redevelopment completion date.

On May 10, 2010, certain of the TopCo Debtors entered into purchase agreements with two proposed purchasers, Richmond American Homes of Nevada, Inc. ("Richmond") and PN II, Inc., dba Pulte Homes of Nevada ("Pulte"), for the sale of certain lots in our Summerlin master planned community. The purchase agreement with Richmond is for parcels comprising 115 and 117 lots representing 32 acres in the aggregate for purchase prices of $8,510,000 and $9,477,000, respectively. The purchase agreement with Pulte is for parcels comprising 109 and 162 lots representing 31.5 acres in the aggregate for purchase prices of $7,739,000 and $12,231,000, respectively. The applicable TopCo Debtors will begin an auction process, as required by applicable bankruptcy law, to attempt to obtain the highest and best offer for such acreage. As of October 4, 2010, these TopCo Debtors have closed on the sale of 50 finished lots to Pulte and 20 finished lots to Richmond with gross purchase prices of

$4,219,324 and $2,132,830, respectively. Both purchase agreements provide for closings in stages through 2011, with no additional closings expected to occur prior to the Effective Date.

Strategic Development

Our Strategic Development segment is made up of a diverse mix of near, medium and long-term real estate properties and development projects. Our Strategic Development segment includes the following assets:

Mixed-Use Development Opportunities. We have the opportunity to create mixed-use development projects on nine properties in attractive locations, including the following premier opportunities:

- South Street Seaport, located in the downtown financial and insurance districts of New York City, is within walking distance of lower Manhattan's many tourist attractions, such as the World Financial Center, Tribeca, the Brooklyn Bridge, City Hall and the NYSE. South Street Seaport currently contains approximately 285,000 square feet of retail, restaurant and exhibition space. South Street Seaport is easily accessible via subway, bus, car or water taxi. We believe that South Street Seaport represents a unique development opportunity which, subject to the approval of the City of New York, our ground lessor, could potentially include new shops, restaurants, hotels and residences.

- The city council of Alexandria, Virginia unanimously approved a small area plan in February 2009 that authorized up to 5.5 million square feet of mixed-use development on the site currently occupied by our Landmark Mall. This site is located just nine miles west of Washington, D.C. and the Pentagon, and is within approximately one mile of public rail service on D.C.'s metro blue line. We have certain limited entitlements to construct buildings as tall as 25 stories on some parcels, subject to acquisition of the 30 acres of adjacent lands from the anchor store owners and demolition of their existing structures. Although plans continuously evolve as market conditions change, it is illustrative that our entitlements envision about 800,000 square feet of retail and other commercial space, 500 hotel rooms and 1.2 million square feet of residences. These could be developed by us or sold to others for development.

- Ward Centers is situated along Ala Moana Beach Park and is within one mile of Waikiki and downtown Honolulu. The Ward Neighborhood is the site of Ward Centers, a chic shopping district of six specialty centers with over 135 unique shops (many found only there) and 22 restaurants. In January 2009, the HCDA approved a 15-plus year master plan by Victoria Ward, Limited to transform the 60-acre site into a vibrant and diverse neighborhood of residences, shops, entertainment and offices. We believe that the land's value increased significantly with the HCDA's approval of entitlements and we have the opportunity to undertake an oceanfront development project to add up to 10 million square feet of retail, residential, office and industrial use.

The following table summarizes our mixed-use development opportunities as of June 30, 2010:

ASSET	LOCATION	EXISTING GROSS LEASABLE AREA ("GLA")	SIZE (ACRES)	NET BOOK VALUE ($ MILLIONS)	ACQUISITION DATE
South Street Seaport	New York, NY	285,849	11	2.9	11/04(1)
Landmark Mall	Alexandria, VA	859,710	22	48.3	11/04(1)
Ward Centers	Honolulu, HI	1,151,912(2)	60	319.1	05/02
Ala Moana Tower Air Rights	Honolulu, HI	—	—	22.8	—
Fashion Show Air Rights	Las Vegas, NV	—	—	—	—
West Windsor	Princeton, NJ	—	653	20.5	11/04(1)
Allen	Dallas, TX	—	238	26.0	03/06
Kendall	Miami, FL	—	91	13.7	11/04(1)
Cottonwood Mall	Holladay, UT	220,954	54	20.3	07/02
Total		2,518,425	1,129	473.6	

(1) Acquired in 2004 as part of the Predecessors' acquisition of The Rouse Company.

(2) Includes 642,165 of mall and freestanding GLA and other anchor store or other locations within the project.

Mall Development Projects. We own four mall development projects in desirable demographic regions. Examples include:

- The Shops at Summerlin Centre, located in Las Vegas, Nevada, consists of an approximately 100-acre parcel that is part of a larger 1,300-acre mixed-use village located at the western rim of the Las Vegas valley in the heart of our Summerlin master planned community. The Shops at Summerlin Centre is surrounded by in-place residential and commercial development. The 100-acre parcel has the potential to be developed with office, retail, hotel and conference facilities, and residences. In 2009, Summerlin Town Centre's trade area encompassed approximately 672,000 people and 257,000 households. From 2009 to 2014, the trade area population is expected to grow at a rate that is almost three times the national average. By 2014, Nielsen™ estimates this trade area will grow by more than 100,000 people. The 2009 average household income within five miles of the site is $93,600, which is approximately 35% higher than the estimated 2009 average household income for all U.S. households of approximately $69,400.

- Elk Grove Promenade is a partially constructed open air regional mall, which when completed is envisioned to be 1.1 million square feet, located on 100 acres in the community of Elk Grove, California. The project is approximately 17 miles southeast of downtown Sacramento and we believe that it has the potential to become a retail destination of choice in this community. In 2009, Elk Grove Promenade's trade area encompassed approximately 583,000 people and 194,000 households. From 2009 to 2014, the trade area population is expected to grow at a rate that is twice the national average. By 2014, Nielsen™ estimates there will be approximately 647,000 people within this trade area. The 2009 average household income within five miles of the site exceeds $100,000, which is approximately 44% higher than the estimated 2009 average household income for all U.S. households.

The following table summarizes our mall development projects as of June 30, 2010:

ASSET	LOCATION	SIZE (ACRES)	NET BOOK VALUE ($ MILLIONS)	ACQUISITION DATE
The Shops at Summerlin Centre	Summerlin, NV	106	37.2	11/04(a)
Elk Grove Promenade	Elk Grove, CA	100	10.9	11/03
Circle T Ranch and Power Center(b)	Dallas/Ft. Worth, TX	279	9.0	10/05
Bridges at Mint Hill	Charlotte, NC	162	12.2	10/06 - 01/07
Total		647	69.3	

(a) Acquired in 2004 as part of the Predecessors' acquisition of The Rouse Company.

(b) Represents our 50% interest in these two development projects.

Redevelopment Projects. We own seven operating properties that we consider to be redevelopment projects. These properties today comprise approximately 1 million total square feet of GLA in the aggregate. These assets have the potential for future growth by means of an improved tenant mix, additional GLA, re-positioning of the asset or alternative uses. Our future development plans may include office, retail or residential space, shopping centers, movie theaters, parking complexes and open space. Any future redevelopment will require the receipt of permits, licenses, consents and waivers from various parties.

The following table summarizes our redevelopment projects as of June 30, 2010:

ASSET	LOCATION	MALL SHOP(a) GLA	SIZE (ACRES)	NET BOOK VALUE ($ MILLIONS)	ACQUISITION DATE
Alameda Plaza	Pocatello, ID	190,341	5	2.4	07/02
Village at Redlands/Redlands Promenade	Redlands, CA	79,248(b)	15	9.8	01/04
Century Plaza	Birmingham, AL	16,706(c)	63	17.4	05/97
Rio West Mall	Gallup, NM	332,447	50	11.4	1981(d)
Riverwalk Marketplace	New Orleans, LA	194,228	11	79.7	11/04(e)
Park West	Peoria, AZ	102,171	48	83.8	10/06
Cottonwood Square	Salt Lake City, UT	77,079	6	5.3	07/02
Total		992,220	198	209.8	

(a) Mall shop GLA is gross leaseable area for spaces less than 30,000 feet.

(b) Scheduled to close all but 38,069 square feet of Mall shop GLA on September 30, 2010.

(c) Only includes operating tenant space.

(d) Reflects the date that the Rio West Mall opened.

(e) Acquired in 2004 as part of the Predecessors' acquisition of The Rouse Company.

Other Interests. We also own or have interests in a variety of other assets. Some of our other interests include unsold condos in a luxury condominium community, a profit interest in two golf courses in Nevada and other land parcels. These assets had an aggregate net book value of less than $100 million as of June 30, 2010.

Risks Associated with our Business

You should carefully consider the matters discussed in the "Risk Factors" section beginning on page 44 of this registration statement prior to deciding whether to invest in our securities. Some of these risks include:

- our history of losses and lack of operating history as an independent company;
- our reliance on an interim management company;
- our inability to obtain operating and development capital;
- our inability to establish our own financial, administrative and other support functions to operate as a stand-alone business; and
- risks associated with the ownership, development and expansion of properties.

Investment Agreements

In order to fund a portion of the Plan, GGP entered into investment agreements (the "Investment Agreements") with each of (i) REP Investments LLC, an affiliate of Brookfield Asset Management Inc. ("Brookfield Investor"), (ii) The Fairholme Fund and Fairholme Focused Income Fund (collectively, "Fairholme") and (iii) Pershing Square Capital Management, L.P. on behalf of Pershing Square, L.P., Pershing Square II, L.P., Pershing Square International, Ltd. and Pershing Square International V, Ltd. (collectively, "Pershing Square" and, together with Brookfield Investor and Fairholme, the "Plan Sponsors"). The Plan Sponsors have committed to purchase up to $6.3 billion of common stock of reorganized GGP and $250 million of our common stock at $47.619048 per share.

The Plan Sponsors have entered into agreements with Blackstone Real Estate Partners VI, L.P. ("Blackstone") whereby Blackstone has subscribed for approximately 7.6% of the shares of reorganized GGP's and our common stock to be issued to each of the Plan Sponsors under the Investment Agreements on the Effective Date and, in connection therewith, will receive an allocation of each of the Plan Sponsor's warrants described below to acquire our common stock (collectively, the "Blackstone Designation"). Blackstone's agreements with the Plan Sponsors do not relieve the Plan Sponsors of their obligations prior to closing and the Plan Sponsors will be obligated to provide all of the funding specified in the Investment Agreements in the event Blackstone does not fund its portion of the purchase price at closing.

Upon consummation of the Plan as contemplated by the Investment Agreements and after giving effect to the Blackstone Designation, we will issue to Brookfield Investor warrants to purchase approximately 3.83 million shares of our common stock, to each of Fairholme and Pershing Square warrants to purchase approximately 1.92 million shares of our common stock and to Blackstone warrants to purchase approximately 0.33 million shares of our common stock, in each case, with an initial exercise price of $50.00 per share. The per share exercise price has been adjusted from the originally contemplated exercise price to reflect a reduction in the number of options that will be issued for the same aggregate consideration upon exercise of the options. See "Certain Relationships and Related Transactions, and Director Independence."

The Plan Sponsors' obligations to consummate the transactions contemplated by the Investment Agreements are subject to the satisfaction (or waiver by the Plan Sponsors) of a number of conditions precedent. In addition, certain of the Investment Agreements include board designation rights and registration rights. See "Certain Relationships and Related Transactions, and Director Independence."

After giving effect to the Blackstone Designation, we expect that Brookfield Investor, Fairholme and Pershing Square will beneficially own 6.4%, 3.2% and 9.5%, respectively, of our common stock on the Effective Date (excluding shares issuable upon exercise of the warrants) or 13.7%, 6.8% and 12.0%, respectively, of our common stock on the Effective Date (including shares issuable upon exercise of the warrants).

After the Effective Date, each of the Plan Sponsors has participation rights in future public and private equity issuances by us, to allow them to maintain their respective percentage ownership on a fully diluted basis. These participation rights terminate when the applicable Plan Sponsor's beneficial ownership (together with its affiliates' beneficial ownership) is less than 5% on a fully diluted basis.

Executive Offices

We were incorporated in Delaware on July 1, 2010. Our principal executive offices are located at 110 N. Wacker Drive, Chicago, Illinois 60606. Our main telephone number is .

Summary Historical Combined Financial Data

The following table sets forth the summary historical combined financial and other data of our business, which was carved-out from the financial information of GGP, as described below. We were formed for the purpose of holding certain assets and assuming certain liabilities of the Predecessors pursuant to the Plan. We have not conducted any business and will not have any material assets or liabilities until the Separation and the Distribution are completed. The operating data for the fiscal years ended December 31, 2009, 2008 and 2007 and the balance sheet data as of December 2009 and 2008 has been derived from our audited combined financial statements included elsewhere in this registration statement. The financial data as of and for the six months ended June 30, 2010 and 2009 has been derived from our unaudited interim combined financial statements included elsewhere in this registration statement, each of which have been prepared on a basis consistent with our audited financial statements. Such financial data is presented on a combined basis as all of the assets pertaining to such data are controlled by GGP. In the opinion of management, our unaudited interim combined financial statements as of and for the six months ended June 30, 2010 and 2009, include all adjustments, consisting only of normal, recurring adjustments, necessary to present fairly our financial position and results of operations for these periods. The interim results of operations are not necessarily indicative of operations for a full fiscal year.

Our combined financial statements were carved-out from the financial information of GGP. Our historical financial results reflect allocations for certain corporate expenses which include, but are not limited to, costs related to property management, human resources, security, payroll and benefits, legal, corporate communications, information services and restructuring and reorganization. Costs of the services that were allocated or charged to us were based on either actual costs incurred or a proportion of costs estimated to be applicable to us based on a number of factors, most significantly, our percentage of GGP's adjusted revenue and assets and the number of properties. We believe these allocations are reasonable; however, these results do not reflect what our expenses would have been had we been operating as a separate stand-alone public company. The years ended December 31, 2009, 2008 and 2007 include corporate cost allocations of $28.6 million, $20.4 million and $24.5 million, respectively. The six months ended June 30, 2010 and 2009 include corporate cost allocations of $33.8 million and $15.0 million, respectively. The historical combined financial information presented is not indicative of the results of operations, financial position or cash flows that would have been obtained if we had been an independent, stand-alone entity during the periods shown or of our future performance as an independent, stand-alone entity. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Basis of Presentation."

The historical results set forth below do not indicate results expected for any future periods. The summary historical combined financial information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the unaudited and audited combined financial statements and notes thereto included elsewhere in this registration statement.

	Six Months Ended June 30,		Year Ended December 31,		
	2010	2009	2009	2008	2007
	(dollars in thousands)				
Operating Data:					
Revenues	$ 59,419	$ 75,120	$ 136,348	$ 172,507	$ 260,498
Depreciation and amortization	(8,425)	(10,787)	(19,841)	(18,421)	(22,995)
Provisions for impairment	(486)	(140,180)	(680,349)	(52,511)	(125,879)
Other operating expenses	(58,463)	(72,201)	(128,833)	(141,392)	(196,121)
Interest (expense) income, net	(1,148)	(250)	712	1,105	1,504
Reorganization items	(26,614)	(2,017)	(6,674)	—	—
Benefit from (provision for) income taxes	(17,953)	2,913	23,969	(2,703)	10,643
Equity in income (loss) of Real Estate Affiliates	5,172	4,121	(28,209)	23,506	68,451
Loss from continuing operations	(48,498)	(143,281)	(702,877)	(17,909)	(3,899)
Discontinued operations—loss on dispositions	—	—	(939)	—	—
Allocation to noncontrolling interests	(73)	(65)	204	(100)	(101)
Net loss attributable to GGP	(48,571)	(143,346)	(703,612)	(18,009)	(4,000)
Cash Flow Data:					
Operating activities	$ (51,162)	$ (9,166)	$ (17,870)	$ (50,699)	$ (52,041)
Investing activities	(37,118)	(13,441)	(21,432)	(300,201)	(146,208)
Financing activities	88,058	32,434	37,543	348,424	183,073
Other Financial Data:					
EBITDA(*)	$ (16,435)	$ (131,848)	$ (701,469)	$ 11,384	$ 14,121
Adjusted EBITDA(*)	10,665	15,472	21,523	65,391	98,643

Balance Sheet Data:

	As of June 30, 2010	As of December 31, 2009	As of December 31, 2008
Investments in real estate—cost	$ 2,836,316	$ 2,827,814	$ 3,376,321
Total assets	2,906,150	2,905,227	3,443,956
Total debt	340,495	342,833	358,467
Total equity	1,520,638	1,503,520	1,985,815

(*) We have presented EBITDA and Adjusted EBITDA because we believe that they are useful to investors. For our definitions of EBITDA and Adjusted EBITDA as well as an important discussion of their uses and limitations, see "Use of Non-GAAP Measures."

The following is a reconciliation of Segment basis Adjusted EBITDA and EBITDA to GAAP net loss attributable to GGP on a combined basis for the periods presented below. The Segment basis results are based on the proportionate share method. Under the proportionate share method, our share of the revenues and expenses of the Real Estate Affiliates are combined with the revenues and expenses of the combined properties.

	Six Months Ended June 30,		Year Ended December 31,		
	2010	2009	2009	2008	2007
			(In thousands)		
Adjusted EBITDA	$ 10,665	$ 15,472	$ 21,523	$ 65,391	$ 98,643
Strategic initiatives(a)	—	(5,114)	(5,380)	(1,496)	—
Provisions for impairment(b)	(486)	(140,180)	(709,990)	(52,511)	(125,879)
Debt extinguishment costs	—	(9)	(9)	—	(618)
Reorganization items(c)	(26,614)	(2,017)	(6,674)	—	—
Discontinued operations—gains (losses) on dispositions	—	—	(939)	—	41,975
EBITDA	(16,435)	(131,848)	(701,469)	11,384	14,121
Depreciation and amortization	(10,421)	(12,805)	(25,110)	(22,470)	(25,690)
Amortization of deferred finance costs	(305)	(552)	(916)	(720)	(1,194)
Interest income	762	516	2,353	2,341	2,304
Interest expense	(3,549)	(1,437)	(2,999)	(4,914)	(957)
(Provision for) benefit from income taxes	(18,550)	2,845	24,325	(3,530)	7,517
Allocation to noncontrolling interests	(73)	(65)	204	(100)	(101)
Net loss attributable to GGP	$ (48,571)	$ (143,346)	$ (703,612)	$ (18,009)	$ (4,000)

(a) Our strategic initiatives include expenses related to the restructuring efforts of our Predecessors who were subject to bankruptcy proceedings prior to such bankruptcy filings.

(b) For a discussion on provisions for impairment, see Note 2—Summary of Significant Accounting Policies to the December 31, 2009 combined financial statements and Note 1—Organization—Impairment to the June 30, 2010 combined financial statements contained elsewhere in this registration statement.

(c) Reorganization items reflect bankruptcy-related activity, including gains on liabilities subject to compromise, interest income, U.S. Trustee fees, and other restructuring costs, incurred after the Predecessors filed for Chapter 11 protection on April 16, 2009.

ITEM 1. BUSINESS

Background

We are a newly formed Delaware corporation that was created to hold certain assets and liabilities of the Predecessors in conjunction with the Plan. To date, we have not conducted any business and will not have any material assets or liabilities until the Separation and the Distribution are completed. We expect the reorganization of GGP and certain of its subsidiaries to be completed during the fourth quarter of 2010, at which time we will own the Predecessors' properties and related assets and liabilities described herein, which we refer to as our business. The description of the business to be transferred to us by the Predecessors is presented herein as if the transferred business was our business for all historical periods described. Unless the context otherwise requires, references to "we," "us" and "our" refer to Spinco, Inc. and its subsidiaries and joint venture interests after giving effect to the Distribution.

Bankruptcy Proceedings

On the Petition Date, GGP and certain of its subsidiaries voluntarily filed the Chapter 11 Cases under the Bankruptcy Code. On August 27, 2010, GGP filed with the Bankruptcy Court its third amended and restated Plan (as supplemented on September 30, 2010) and the related Disclosure Statement for the TopCo Debtors.

The Plan sets forth the contemplated structure of reorganized GGP at the Effective Date and outlines the manner in which the prepetition creditors' and equity holders' various claims against and interests in the TopCo Debtors will be treated, subject to confirmation of the Plan and consummation of the transactions contemplated by the Investment Agreements, and the occurrence of the Effective Date. On August 20, 2010, the Bankruptcy Court approved the Disclosure Statement and the solicitation of votes to approve the Plan. The TopCo Debtors must obtain the consent of certain third parties for the contribution of assets to us as described under "—Investment Agreements" below. Spinco will not exist as a stand-alone company unless and until the Plan is confirmed by the Bankruptcy Court and the Distribution is consummated.

Investment Agreements

In order to fund a portion of the Plan, GGP entered into the Investment Agreements with each of the Plan Sponsors. Pursuant to the Investment Agreements, the Plan Sponsors are committed to purchase up to $6.3 billion of common stock of reorganized GGP and $250 million of our common stock at $47.619048 per share.

The Plan Sponsors have entered into agreements with Blackstone whereby Blackstone has subscribed for approximately 7.6% of the shares of reorganized GGP's and our common stock to be issued to each of the Plan Sponsors under the Investment Agreements on the Effective Date and, in connection therewith, will receive an allocation of each of the Plan Sponsor's warrants to acquire our common stock, described below. Blackstone's agreements with the Plan Sponsors do not relieve the Plan Sponsors of their obligations prior to closing and the Plan Sponsors will be obligated to provide all of the funding specified in the Investment Agreements in the event Blackstone does not fund its portion of the purchase price at closing.

Under the Investment Agreements, in lieu of the receipt of any fees that would be customary in similar transactions, the Investment Agreements provide for the issuance of interim warrants to Brookfield Investor and Fairholme to purchase approximately 103 million shares of GGP (the "Interim Warrants"). The Interim Warrants vest 40% upon issuance, 20% on July 12, 2010, and the remaining Interim Warrants vest in equal daily installments from July 13, 2010 to December 31, 2010, except that any Interim Warrants that have not vested on or prior to termination of Brookfield Investor's or Fairholme's Investment Agreement, as the case may be, will not vest and will be cancelled. Upon consummation of the Plan contemplated by the Investment Agreements, the Interim Warrants will be cancelled, whether vested or not, and warrants to purchase common stock of reorganized GGP and Spinco will be issued to the Plan Sponsors. After giving effect to the Blackstone Designation, we will issue to (i) Brookfield Investor warrants to purchase approximately 3.83 million shares of our common stock, (ii) each of Fairholme and Pershing Square warrants to purchase approximately 1.92 million shares of our common stock and (iii) Blackstone warrants to purchase approximately 0.33 million shares of our common stock, in each case, with an initial exercise price of $50.00 per share. The exercise prices and the number of shares of common stock issuable upon exercise of the warrants will be subject to adjustment as provided in the related warrant agreements. Each warrant will have a term of seven years from the closing date of the investments. See "Certain Relationships and Related Transactions, and Director Independence."

After giving effect to the Blackstone Designation, we expect that Brookfield Investor, Fairholme and Pershing Square will beneficially own 6.4%, 3.2% and 9.5%, respectively, of our common stock on the Effective Date (excluding shares issuable upon the exercise of warrants) or 13.7%, 6.8% and 12.0%, respectively, of our common stock on the Effective Date (including shares issuable upon exercise of the warrants).

The Investment Agreements also include board nomination rights, pursuant to which our board of directors on the Effective Date will have nine members, one of whom will be nominated by Brookfield Investor and three of whom will be nominated by Pershing Square. Brookfield Investor's right to nominate one director will continue so long as Brookfield Investor beneficially owns at least 10% our common stock on a fully diluted basis. Pershing Square's right to nominate three directors will continue so long as Pershing Square and its affiliates have "economic ownership" (as described below) of at least 17.5% of our common stock on a fully diluted basis and two directors for so long as Pershing Square and its affiliates beneficially own at least 10% but have economic ownership of less than 17.5%, of our common stock on a fully diluted basis. Following such time as Pershing Square and its affiliates beneficially own less than 10% of our common stock on a fully diluted basis, Pershing Square will no longer have the right to nominate directors for election to our board of directors. See "Certain Relationships and Related Transactions, and Director Independence." For purposes of Pershing Square's board nomination rights under the Investment Agreement, "economic ownership" means the aggregate number of shares of our common stock owned by Pershing Square and its affiliates (assuming the exercise of Pershing Square's warrants to acquire our common stock) plus the aggregate notional number of shares of our common stock referenced in certain equity derivatives that Pershing Square will certify to us provide Pershing Square and its affiliates with the benefit of substantially similar cash flows as would direct ownership. We expect Pershing Square's and its affiliates' economic ownership on the Effective Date to be approximately 24%, which will entitle Pershing Square and its affiliates to nominate three directors.

The Plan Sponsors' obligations to consummate the transactions contemplated by the Investment Agreements are subject to the satisfaction of the following conditions precedent (all of which may be waived by the Plan Sponsors):

- no judgment, injunction, decree or other legal restraint shall prohibit the consummation of the Plan or the transactions contemplated by the Investment Agreements;
- all permits, consents, orders, approvals, waivers, authorizations or other permissions or actions of third parties and governmental entities required for the consummation of the transactions contemplated by the Investment Agreements and the Plan shall have been made or received, and shall be in full force and effect, except for those the failure of which to make or receive would not reasonably be expected to result in a material adverse effect (as defined in the Investment Agreements);
- certain representations and warranties made by the Predecessors contained in the Investment Agreements shall be true and correct as of the closing date of the investments pursuant to the Investment Agreements;

- the Predecessors shall have complied with their obligations under the applicable Investment Agreement;
- since the date of the Investment Agreements, there shall not have occurred any event, fact or circumstance that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect;
- the Plan, in form and substance satisfactory to each Plan Sponsor, shall have been confirmed by the Bankruptcy Court by order in form and substance satisfactory to each Plan Sponsor, which confirmation order shall be in full force and effect as of the closing date of the investments pursuant to the Investment Agreements and shall not be subject to a stay of effectiveness;
- the Disclosure Statement, in form and substance satisfactory to each Plan Sponsor, shall have been approved by order of the Bankruptcy Court in form and substance satisfactory to each Plan Sponsor;
- the conditions to confirmation of the Plan and the conditions to the Effective Date, including the consummation of the corporate reorganization transactions, shall have been satisfied or waived in accordance with the Plan and the organizational documents of reorganized GGP as set forth in the Plan shall be in effect;
- the Distribution and the issuance by Spinco of the Spinco warrants shall have occurred in accordance with the Investment Agreements;
- certain actions taken by the Predecessors relating to the separation of Spinco shall be reasonably satisfactory to the Plan Sponsors and shall be in full force and effect;
- Spinco shall not have issued and outstanding on a fully diluted basis immediately following the closing of the Plan Sponsors' investments, a maximum number of shares of Spinco common stock that is more than:
  - 32,468,326, plus
  - a number equal to 0.1 multiplied by the number of shares of GGP common stock issued on or after March 26, 2010 and prior to the record date of the Distribution as a result of the exercise, conversion or exchange of any stock options or convertible securities of GGP outstanding on March 26, 2010 and employee stock options issued pursuant to GGP option plans, plus
  - the number of shares of Spinco common stock underlying the Spinco warrants issued to the Plan Sponsors described above, plus
  - an aggregate of 5,250,000 shares issuable to the Plan Sponsors pursuant to the Investment Agreements;
- the warrants and shares issuable at closing of the Plan to each of the Plan Sponsors shall have been validly issued to each of the Plan Sponsors, and the related warrant agreements shall have been executed and delivered and shall be in full force and effect;
- reorganized GGP shall have filed with the SEC and the SEC shall have declared effective, as of closing, to the extent permitted by applicable SEC rules, a shelf registration statement covering resales of the reorganized GGP securities issued to the Plan Sponsors, containing a plan of distribution reasonably satisfactory to the Plan Sponsors. In addition, each of reorganized GGP and Spinco shall have entered into registration rights agreements with each Plan Sponsor with respect to all registrable securities issued to or held by the Plan Sponsors from time to time in a manner that permits the registered offering of securities pursuant to such methods of sale as the Plan Sponsor may reasonably request from time to time;
- the shares of reorganized GGP common stock issuable to the Plan Sponsors (including shares issuable upon exercise of the warrants) shall be authorized for listing on the NYSE, subject to

official notice of issuance, and the shares of Spinco common stock issuable to the Plan Sponsors (including shares issuable upon exercise of the warrants) shall be authorized for listing on a U.S. national securities exchange, subject to official notice of issuance;

- each of the persons designated by the Plan Sponsors to the board of directors of reorganized GGP and the board of directors of Spinco, as described under "Item 7.—Certain Relationships and Related Transactions, and Director Independence—Board of Directors," shall have been duly appointed to such board of directors;

- reorganized GGP shall have, on the Effective Date and after giving effect to the use of proceeds from capital raising activities permitted under the Investment Agreements (if any) and the issuance of the shares of reorganized GGP common stock to the Plan Sponsors, and the payment and/or reserve for all allowed and disputed claims under the Plan, transaction fees and other amounts required to be paid in cash or shares under the Plan:

  - an aggregate amount of not less than $350,000,000 of proportionally consolidated unrestricted cash (as defined below) plus

  - the net proceeds of certain additional financings and the aggregate principal amount of certain debt paydowns or such higher number as may be agreed plus

  - the excess, if any, of

    - (a) the aggregate principal amount of New Debt (as defined below) and Reinstated Amounts (as defined below) over

    - (b) $1,500,000,000;

- immediately following the closing of the transactions contemplated by the Investment Agreements after giving effect to the Plan, the aggregate outstanding proportionally consolidated debt (as defined in the Investment Agreements) of reorganized GGP shall not exceed:

  - $22,250,000,000 in the aggregate minus

    (a) the amount of proportionally consolidated debt attributable to assets sold, returned, abandoned, conveyed, transferred or otherwise divested during the period between March 31, 2010 (the date of the Investment Agreements) through the closing minus

    (b) the excess, if any, of $1,500,000,000 over the aggregate principal amount of new unsecured indebtedness incurred after March 31, 2010 and on or prior to the closing date of the transactions contemplated by the Investment Agreements for cash ("New Debt") and the aggregate principal amount of any debt under certain notes issued by Rouse (the "Rouse Bonds") or GGPLP's 3.98% Exchangeable Senior Notes due 2027 (the "Exchangeable Notes") that is reinstated under the Plan (such amounts reinstated, the "Reinstated Amounts") minus

    (c) the amount of proportionally consolidated debt attributable to the assets contributed to Spinco pursuant to the Investment Agreements minus

    (d) the principal and/or liquidation preference of certain preferred securities issued by GGP Capital Trust I ("TRUPS") and the preferred or common units of limited partnership interests of GGPLP (and, such interests, "UPREIT Units") not reinstated plus

    (e) in the event the closing of the transactions contemplated by the Investment Agreements occurs prior to September 30, 2010, the amount of scheduled amortization on proportionally consolidated debt (other than Corporate Level Debt (as defined in the Investment Agreements) from the closing date of such transactions to September 30, 2010 that otherwise would have been paid by September 30, 2010 minus

(f) in the event the closing of the transactions contemplated by the Investment Agreements occurs on or after September 30, 2010, the amount of actual amortization paid on proportionally consolidated debt (other than certain specified corporate level debt) from September 30, 2010 to the closing date plus

(g) (1) the excess of the aggregate principal amount of New Debt incurred to refinance existing debt relating to the mortgage or encumbrance of real property assets without violation of the condition referred to in the following bullet point over the principal amount of the debt so refinanced and

(2) new debt incurred to finance certain unencumbered properties after March 31, 2010 and on or prior to the closing plus

(h) the amount of other principal paydowns, writedowns and resulting impact on amortization or payments in the anticipated amortization schedule with respect to Fashion Show Mall (Fashion Show Mall LLC), The Shoppes at the Palazzo and Oakwood Shopping Center (Gretna, LA) currently anticipated to be made by GGP in connection with refinancings, or completion of negotiations in respect of its property level debt which GGP determines in good faith are not actually required to be made prior to closing plus

(1) the excess, if any, of (A) the aggregate principal amount of New Debt and the Reinstated Amounts over (B) $1,500,000,000 plus

(2) the aggregate amount of the Pershing Square Bridge Notes issued pursuant to the investment agreement with Pershing Square;

- between March 31, 2010 and the closing of the transactions contemplated by the Investment Agreements, GGP shall not have taken certain actions specified in the Investment Agreements, including, among others and subject to certain exceptions set forth in the Investment Agreements, relating to:
  - declaration of dividends,
  - amending GGP's certificate of incorporation other than to increase the authorized shares of GGP's common stock,
  - acquisitions,
  - sales or transfers of real property assets,
  - mortgages or encumbrances of real property assets except for certain permitted restructuring or refinancing transactions as set forth in the Investment Agreements,
  - sales or issuances of equity securities,
  - capital expenditures and
  - changes in accounting methods or principles;
- the number of issued and outstanding shares of reorganized GGP common stock on a fully diluted basis including the shares issuable to the Plan Sponsors shall not exceed:
  - 1,104,683,256, plus
  - the number of shares (if any) issued to settle or otherwise satisfy the outstanding claims in respect of GGP's obligations under a contingent stock agreement (the "Contingent Stock Agreement") entered into in connection with the aquisition of The Hughes Corporation effective January 1, 1996 (such obligations, the "Hughes heirs obligations"), plus
  - up to 65,000,000 shares of reorganized GGP common stock issued in Liquidity Equity Issuances (as defined below), plus

  - the number of shares of reorganized GGP common stock underlying the warrants issued to the Plan Sponsors as provided in the Plan, plus
  - the number of shares of GGP common stock issued as a result of the exercise of employee stock options outstanding on March 31, 2010, plus,
  - in the event shares of reorganized GGP common stock are issued pursuant to a rights offering as provided in the Plan, the difference between

    (1) the number of shares of reorganized GGP common stock issued to existing holders of GGP common stock and the Plan Sponsors, in each case, in connection with such rights offering minus

    (2) 50,000,000 shares of reorganized GGP common stock minus the number of shares of GGP common stock sold to Pershing Square pursuant to Pershing Square's put rights (as described in the Investment Agreements); provided, that if indebtedness under the Rouse Bonds or the Exchangeable Notes is reinstated under the Plan, or GGP shall have incurred New Debt, or between March 31, 2010 and the closing date of the investments GGP shall have sold for cash real property assets outside of the ordinary course of business, the share cap shall be reduced by the quotient obtained by dividing

      (x) the sum of

      - (A) the lesser of (i) $1,500,000,000 and (ii) the sum of Reinstated Amounts and the net cash proceeds to GGP from the issuance of New Debt and
      - (B) the net cash proceeds to GGP from such asset sales in excess of $150,000,000 by

      (y) $10.00.

  "Liquidity Equity Issuances" is defined as issuances of shares of reorganized GGP common stock in the Plan for cash in an aggregate amount of up to 65,000,000 shares of reorganized GGP common stock;

- neither GGP nor any of its subsidiaries shall have issued or sold any shares of GGP's common stock or securities, warrants or options that are convertible into or exchangeable or exercisable for, or linked to the performance of, GGP's common stock other than, among other exceptions:

  (a) pursuant to the exchange of GGP's common stock for reorganized GGP common stock,

  (b) the issuance of shares pursuant to the exercise of employee stock options or

  (c) the issuance of shares to existing holders of GGP common stock and the Plan Sponsors, in each case, pursuant to a rights offering as provided for in the Plan, unless:

    (i) the purchase price (or, in the case of securities that are convertible into or exchangeable or exercisable for, or linked to the performance of, common stock, the conversion, exchange or exercise price) shall not be less than $10.00 per share (net of all underwriting and other discounts, fees and any other compensation),

    (ii) following such issuance or sale,

      (A) no person or entity, or "group" within the meaning of Section 13(d) under the Securities Exchange Act of 1934, as amended, other than the Plan Sponsors pursuant to the Investment Agreements and any institutional underwriter or initial purchaser acting in an underwriter capacity in an underwritten offering) shall, after giving effect to such issuance or sale, beneficially own more than 10% of the common stock on a fully diluted basis and

(B) no four persons, entities or groups (other than Plan Sponsors) shall, after giving effect to such issuance or sale, beneficially own more than 30% of GGP's common stock on a fully diluted basis (provided that this clause (ii) shall not be applicable to any conversion or exchange of claims against the TopCo Debtors into reorganized GGP common stock pursuant to the Plan; provided, further, that sub-clause (B) of this clause (ii) shall not be applicable with respect to any entity listed on a certain exhibit to the Investment Agreements), and

(iii) the Plan Sponsors shall have been offered the opportunity to purchase a specified percentage of such shares;

- the Plan Sponsors shall have received a legal opinion to the effect that GGP for all taxable years commencing with the taxable year ended December 31, 2005 through December 31, 2009 has been subject to taxation as a REIT and has operated since January 1, 2010 to the closing date of the investments in a manner consistent with the requirements for qualification and taxation as a REIT;

- entry into the non-control agreements described under "Item 7.—Certain Relationships and Related Transactions, and Director Independence—Non-Control Agreements";

- the claims or interest related to the Hughes heirs obligations shall have been determined by order of the Bankruptcy Court entered on or prior to the Effective Date and satisfied in accordance with the terms of the Plan;

- the Spinco note, if any, shall have been issued by Spinco (or one of its subsidiaries, provided that such note is guaranteed by Spinco) in favor of GGPLP; and

- the issuance of the Pershing Square Bridge Notes, if applicable.

We cannot assure you that these conditions will be satisfied or waived or that the transactions contemplated by the Investment Agreements will be consummated on the terms described herein or at all. If the conditions are not satisfied or waived and the transactions contemplated by the Investment Agreements are not completed, the Separation will not take place and the shares of common stock covered by this registration statement will not be issued.

Business Overview

We are a real estate company created to specialize in the development of master planned communities and other strategic real estate development opportunities across the United States. Our goal is to create sustainable, long-term growth and value for our stockholders. We own a diverse portfolio of properties with a relatively small amount of debt and with near, medium and long-term development opportunities, including our master planned communities, mall development projects and a series of mixed-use development opportunities in premier locations. As operated by the Predecessors, our master planned communities have won numerous awards for, among other things, design and community contribution. We expect the competitive position and desirable location of certain of our assets (which collectively comprise millions of square feet and thousands of acres of developable land), combined with their operations and long-term opportunity through entitlements, land and home site sales, project developments and operating properties, to drive our income and growth. We expect to pursue development opportunities for a number of our assets that were postponed by the Predecessors due to lack of liquidity resulting from deteriorating economic conditions, the credit market collapse and certain of the Predecessors' bankruptcy filings in April 2009. We expect to assess the opportunities for these assets, currently in various stages of completion, and determine how to finance their completion and how to maximize their long-term value potential.

We operate our business in two lines of business: Master Planned Communities and Strategic Development.

Master Planned Communities

Our Master Planned Communities segment consists of the development and sale of residential and commercial land, primarily in large-scale projects in and around Columbia, Maryland; Houston, Texas; and Las Vegas, Nevada.

Revenues are derived primarily from the sale of finished lots, including infrastructure and amenities, and undeveloped property to both residential and commercial developers. Additional revenues are earned through participations with builders in their sales of finished homes to homebuyers. Revenues and Adjusted EBITDA are affected by factors such as the availability to purchasers of construction and permanent mortgage financing at acceptable interest rates, consumer and business confidence, regional economic conditions in the areas surrounding the projects, employment levels, levels of homebuilder inventory, other factors generally affecting the homebuilder business and sales of residential properties, availability of saleable land for particular uses and our decisions to sell, develop or retain land. For our more mature communities such as in Columbia, Maryland, we are also creating new design plans to increase density and to add additional neighborhoods.

Master planned communities in the United States have suffered due to the continued weak demand in the residential real estate market following the sharp decline in 2007. As a business venture, development of master planned communities requires expertise in large-scale, long-range land use planning, residential and commercial real estate development, sales and other special skills. The development of these communities requires decades of investment and a continual focus on the changing market dynamics surrounding these communities. In recent periods the economic downturn has slowed land and home site sales, requiring the development and growth of these communities to be delayed. We believe that the long-term value of our communities remains strong given their competitive positioning and our expertise in long-range land use planning and entitlements for communities such as these.

The following table summarizes our master planned communities as of June 30, 2010:

Community	Location	Ownership (%)	Total/ Gross Acres(a)	People Living in community (Approx. No.)	Remaining Saleable Acres(b)			Redevelopment Acres(e)	Projected Community Sell-Out Date
					Residential(c)	Commercial(d)	Total		
Bridgeland	Houston, TX	100.0	11,400	3,250	3,981	1,246	5,227	—	2036
Summerlin	Las Vegas, NV	100.0	22,500	100,000	6,559	625	7,184	—	2039
The Woodlands	Houston, TX	52.5(f)	28,400	94,000	1,063	1,018	2,081	—	2017
Maryland Communities									
Columbia	Howard County, MD	100.0	14,200	100,000	—	—	—	136	2035(g)
Gateway	Howard County, MD	100.0	630	—	—	121	121	—	2013
Emerson	Howard County, MD	100.0	520	2,000	12	68	80	—	2013
Fairwood	Prince George's County, MD	100.0	1,100	2,300	—	11	11	—	2013
Total			78,750	301,550	11,615	3,089	14,704	136	

(a) Encompasses all of the land located within the borders of the master planned community, including parcels already sold, saleable parcels and non-saleable areas, such as roads, parks and recreation and conservation areas.

(b) Includes only parcels that are intended for sale. The mix of intended use, as well as the amount of remaining saleable acres, are primarily based on assumptions regarding entitlements and zoning of the remaining project and are likely to change over time as the master plan is refined.

(c) Includes standard, custom and high density residential land parcels. Standard residential lots are designated for detached and attached single- and multi-family homes, of a broad range, from entry-level to luxury homes. At Summerlin, we have designated certain residential parcels as custom lots as their premium price reflects their larger size and other distinguishing features—such as being within a gated community, having golf course access, or being located at higher elevations. High density residential includes townhomes, apartments and condominiums.

(d) Designated for retail, office, services and other for-profit activities, as well as those parcels allocated for use by government, schools, houses of worship and other not-for-profit entities.

(e) Reflects the number of acres we expect to redevelop.

(f) Reflects our economic interest. Our ownership interest is 42.5% and we jointly make decisions with our joint venture partner.

(g) Reflects the projected redevelopment completion date.

On May 10, 2010, certain of the TopCo Debtors entered into purchase agreements with two proposed purchasers, Richmond and Pulte, for the sale of certain lots in our Summerlin master planned community. The purchase agreement with Richmond is for parcels comprising 115 and 117 lots representing 32 acres in the aggregate for purchase prices of $8,510,000 and $9,477,000, respectively. The purchase agreement with Pulte is for parcels comprising 109 and 162 lots representing 31.5 acres in the aggregate for purchase prices of $7,739,000 and $12,231,000, respectively. The applicable TopCo Debtors will begin an auction process, as required by applicable bankruptcy law, to attempt to obtain the highest and best offer for such acreage. As of October 4, 2010, these TopCo Debtors have closed on the sale of 50 finished lots to Pulte and 20 finished lots to Richmond with gross purchase prices of $4,219,324 and $2,132,830, respectively. Both purchase agreements provide for closings in stages through 2011, with no additional closings expected to occur prior to the Effective Date.

Bridgeland (Houston, Texas)

Bridgeland is a master planned community in Houston, Texas consisting of approximately 11,400 acres, and was voted by The National Association of Home Builders as the "Master Planned Community of the Year" in 2009. The first residents moved into their homes in June 2006. There were approximately 928 homes occupied by approximately 3,250 residents as of June 30, 2010. Bridgeland's conceptual plan includes four villages—Lakeland Village, Parkland Village, Prairieland Village, and Creekland Village—plus a town center mixed use district as well as a carefully designed network of trails totaling over 60 miles that will provide pedestrian connectivity to distinct residential villages and neighborhoods. Bridgeland's first four neighborhoods are located in Lakeland Village. These neighborhoods offer a unique home buying experience that includes one convenient model home park showcasing thirteen models by ten of Houston's top builders, three custom builders showcasing homes in a private enclave in First Bend, all with views of water, buried power lines to maximize the views of open space and water, fiber-optic technology direct to each home, home sites offering brick-lined terrace walkways to each front porch, home designs incorporating brick, stone and timber architecture and prices ranging from the mid-$100,000's to more than $1 million. Lakeland Village is currently approximately 50% completed. The Lakeland Activity Center, the first of several planned activity complexes to be constructed as development progresses and more residents move to Bridgeland, opened in May of 2007. This complex is anchored by a 6,000 square foot community center and features a water park with three swimming pools, two lighted tennis courts and a state-of-the-art fitness room. A grand promenade wrapping around Lake Bridgeland offers a boat dock, canoes and kayaks, sailboats and paddleboats. An extensive lake and trail system is planned to link villages and neighborhoods with recreational, educational, cultural, employment, retail, religious and other offerings. The Bridgeland community is also expected to feature more than 3,000 acres of waterways, lakes, trails, parks and open space, as well as an expansive town center with room for employment, retail, educational and entertainment facilities.

Bridgeland's conceptual plan includes a 900-acre town center mixed use district. The conceptual plan contemplates that the town center will be located adjacent to a planned highway expansion, which will provide Bridgeland residents direct access to Houston, the country's fourth-largest city. One segment of the highway is expected to bisect a portion of Bridgeland designed for the town center. A construction date has not yet been established for this highway segment. Pursuant to the terms of the purchase and sale agreement by which the Predecessors acquired Bridgeland and that we will assume as of the Effective Date, the commencement of construction of this segment of the highway will trigger a final $7,000,000 payment to the former owner of certain parcels of land that are now included in Bridgeland.

We anticipate that the Bridgeland community will one day accommodate more than 20,000 homes and 65,000 residents and we believe that it is poised to be one of the top master planned communities in the nation. As of June 30, 2010, Bridgeland had approximately 3,981 residential acres and 1,246 commercial acres remaining to be sold.

Summerlin (Las Vegas, Nevada)

Spanning the western rim of the Las Vegas Valley and located approximately 12 miles from downtown Las Vegas, our 22,500-acre Summerlin master planned community offers suburban living with accessibility to the Las Vegas Strip. For the last decade, Summerlin has consistently ranked in the Robert Charles Lesser annual poll of Top Ten Master Planned Communities in the nation. With 25 public and private schools, five institutions of higher learning, nine golf courses, and cultural facilities, Summerlin is a fully integrated community. The first residents moved into their homes in 1991. As of June 30, 2010, there were approximately 40,000 homes occupied by approximately 100,000 residents.

Summerlin is comprised of hundreds of neighborhoods located in 19 villages with nearly 150 neighborhood and village parks, all connected by a 150-mile long trail system. Summerlin is located adjacent to Red Rock Canyon National Conservation Area, a landmark in southern Nevada, which has become a world-class hiking and rock climbing destination and also surrounds our Shops at Summerlin Centre development site. Summerlin contains approximately 1.7 million square feet of developed retail space, 3.2 million square feet of developed office space, three hotel properties containing approximately 1,400 hotel rooms, as well as health and medical centers, including Summerlin Hospital and the Nevada Cancer Institute.

Summerlin is divided, generally, into three separate areas known as Summerlin North, Summerlin West and Summerlin South. Summerlin South is located within the jurisdiction of Clark County, Nevada whereas Summerlin West is located within the jurisdiction of the City of Las Vegas. In Summerlin South, Summerlin is entitled to develop 740 acres of commercial property with no square footage restrictions, 350 acres of which are already owned by third parties or already committed to commercial development. In Summerlin West, Summerlin is entitled to develop 5,850,000 square feet of commercial space (no acreage limitation) of which 100,000 square feet have already been developed by the Predecessors through its construction of a grocery store anchored shopping center.

As of June 30, 2010, Summerlin had approximately 6,559 residential acres and 625 commercial acres remaining to be sold.

The Woodlands (Houston, Texas)

We have a 52.5% economic interest in The Woodlands, currently one of the best-selling master planned communities in Texas. The Woodlands is managed jointly with our joint venture partner. The Woodlands is a mixed-use master planned community situated 27 miles north of Houston and consists of 28,400 acres. The Woodlands is a self-contained community that integrates recreational amenities, residential neighborhoods, commercial office space, retail shops and entertainment venues. Home site sales began in 1974. As of June 30, 2010, there were approximately 40,000 homes occupied by approximately 94,000 residents and more than 1,500 businesses providing employment for approximately 43,000 people. Approximately 28% of The Woodlands is dedicated to green space—including parks, pathways, open spaces, golf courses and forest preserves. The population of The Woodlands is projected to be approximately 130,000 by 2020.

The Woodlands Town Center includes a waterway, outdoor art and an open-air performance pavilion, a resort and conference center, a luxury hotel and convention center, educational opportunities for all ages, hospitals and health care facilities and office space. The Fountains at Waterway Square located on The Woodlands Waterway connects the project to the community via a water taxi system serving the community. The Woodlands is also the site of The Woodlands Mall, which is owned by, and will remain with, GGP.

We have interests in commercial office buildings, as well as a resort and conference center and two golf courses through our investment in the Woodlands Partnerships. We have included these interests in our Strategic Development segment, rather than our Master Planned Communities segment, because they are operating properties.

As of June 30, 2010, we had approximately 1,063 residential acres and 1,018 commercial acres remaining to be sold at The Woodlands.

Maryland Communities

Our Maryland communities consist of four distinct projects:

- Columbia;
- Gateway;
- Emerson; and
- Fairwood.

Columbia

Columbia, located in Howard County, Maryland, is an internationally recognized model of a successful master planned community developed in the 1960s. Columbia is a fully developed community offering a wide variety of living, business and recreational opportunities. As of June 30, 2010, Columbia was home to almost 100,000 people. Columbia's full range of housing options are located in ten distinct, self-contained villages. Each village is comprised of several neighborhoods, a shopping center and community and recreational facilities. In Columbia's downtown, 1.6 million square feet of office space is located close to shopping, restaurants and entertainment venues. In an area known as Columbia Town Center there is a 1.3 million-square-foot mall known as The Mall in Columbia, which is owned by, and will remain with, GGP.

We own approximately 136 acres of land in Columbia which we expect to redevelop. The land currently consists of raw land, existing operating assets, surface and structured parking and dedicated open space, and we will have the opportunity to redevelop this portion of the master planned community in the future. Columbia recently received entitlements to develop new residential units, as well as hotel, retail and office space.

We expect to enter into a development agreement and memorandum of intent with GGP that will clarify the division of properties between us and GGP in an area of Columbia adjacent to The Mall in Columbia that we refer to as the "core development area." The development agreement and memorandum of intent will contain the key terms, conditions, responsibilities and obligations with respect to the future development of the core development area in Columbia. In addition, the agreement is expected to provide us with a five-year right of first offer and a subsequent six-month purchase option to acquire seven office buildings and associated parking lots, totaling approximately 22 acres, in Columbia at an agreed upon price or then fair market value as determined pursuant to an appraisal process.

Gateway

Gateway is a 630-acre premier master planned corporate community located in a high traffic area in Howard County, Maryland. Gateway offers quality office space in a campus setting with approximately 121 commercial acres remaining to be sold as of June 30, 2010.

Emerson

Emerson is a substantially completed master planned community located in Howard County, Maryland and consists of approximately 520 acres. The first residents moved into their homes in 2002. There were approximately 846 homes occupied by approximately 2,000 residents as of June 30, 2010.

Emerson offers a wide assortment of single family and town home housing opportunities by some of the region's top homebuilders, and is located in one of Maryland's top-performing public school districts. As of June 30, 2010, we had approximately 12 residential acres and 68 commercial acres remaining to be sold. The remaining land is fully entitled for build-out, subject to meeting local requirements for subdivision and land development permits. In addition, 96 of our townhouse lots are under contract to builders and scheduled to be closed in stages through 2012. The proceeds of any sales that are consummated prior to the Effective Date will remain with GGP.

Fairwood

Fairwood is a fully developed master planned community located in Prince George's County, Maryland and consists of approximately 1,100 acres. 11 commercial acres were available for sale as of June 30, 2010. The first residents moved into their homes in 2002. There were approximately 1,016 homes occupied by approximately 2,300 residents as of June 30, 2010. Fairwood consists of single-family and townhouse lots, as well as undedicated open space and two historic houses. In addition to the 11 commercial acres remaining to be sold, we own a few undedicated open space parcels, and 24 acres of unsubdivided land which cannot be developed so long as the nearby airport is operating.

Strategic Development

Our Strategic Development segment is made up of a diverse mix of near, medium and long-term real estate properties and development projects, some of which we believe have the potential to create meaningful value. Our Strategic Development segment includes nine mixed-use development opportunities, four mall development projects, seven redevelopment projects and eight other property interests, including ownership of various land parcels and profit interests.

Mixed-Use Development Opportunities

The following table summarizes our mixed-use development opportunities as of June 30, 2010:

ASSET	LOCATION	EXISTING GROSS LEASABLE AREA ("GLA")	SIZE (ACRES)	NET BOOK VALUE ($ MILLIONS)	ACQUISITION DATE
South Street Seaport	New York, NY	285,849	11	2.9	11/04*
Landmark Mall	Alexandria, VA	859,710	22	48.3	11/04*
Ward Centers	Honolulu, HI	1,151,912	60	319.1	05/02
Ala Moana Tower Air Rights	Honolulu, HI	—	—	22.8	—
Fashion Show Air Rights	Las Vegas, NV	—	—	—	—
West Windsor	Princeton, NJ	—	653	20.5	11/04*
Allen	Dallas, TX	—	238	26.0	03/06
Kendall	Miami, FL	—	91	13.7	11/04*
Cottonwood Mall	Holladay, UT	220,954	54	20.3	07/02
Total		2,518,425	1,129	473.6	

* Acquired in 2004 as part of the Predecessors' acquisition of The Rouse Company.

The following is a description of each of our mixed-use development opportunities.

South Street Seaport, Lower Manhattan, New York, New York

South Street Seaport currently contains approximately 285,000 square feet of retail, restaurant and exhibition space, which is ground leased from the City of New York. Its location on the East River and historic atmosphere make it one of New York City's top attractions. Located in the downtown financial and insurance districts of New York City, the property is within walking distance of lower Manhattan's many tourist attractions, such as the World Financial Center, Tribeca, the Brooklyn Bridge, City Hall and the NYSE. The Fulton Market building, which is located in the historic district, includes a mix of national and local tenants and a diverse assortment of restaurants. South Street Seaport is easily accessible via subway, bus, car or water taxi.

We believe that South Street Seaport is a unique development opportunity. The property sits in one of the highest population growth districts of Manhattan. We believe new residents are drawn to lower Manhattan because of its access to public transportation and proximity to work, the area's quality of life and its rich history. The neighborhood's cobblestone streets, historic location, iconic views and waterfront access give the South Street Seaport area a distinct residential appeal. The Predecessors were previously in discussions with city officials for redevelopment that would have included hotels, residential units, retail space and restaurants. As with our other development plans, market dynamics have changed and we will need to re-examine the property and create a redevelopment plan, the implementation of which will require numerous permits and approvals, including the approval of our ground lessor, the City of New York.

Landmark Mall, Alexandria, Virginia

Landmark Mall is a 22-acre regional shopping center in Alexandra, Virginia. Two anchor fee owners own and occupy 30 acres of adjacent land. This mall is located just nine miles west of Washington, D.C. and the Pentagon, and is within approximately one mile of public rail service on D.C.'s metro blue line. In February 2009, the City Council of Alexandria unanimously approved a small area plan that authorizes up to 5.5 million square feet of mixed-use development. Pursuant to the small area plan we have certain limited entitlements to construct buildings as tall as 25 stories on some parcels, subject to acquisition of the 30 acres of adjacent lands from the anchor store owners and demolition of their existing structures. Although plans continuously evolve as market conditions change, it is illustrative that our entitlements envision about 800,000 square feet of retail and other commercial space, 500 hotel rooms and 1.2 million square feet of residences.

Ward Centers, Honolulu, Hawaii

Ward Centers, spanning approximately 60 acres, is situated along Ala Moana Beach Park and is within one mile of Waikiki and downtown Honolulu, and within walking distance to Ala Moana Center. Ward Centers currently includes a 550,000 square foot shopping district containing six specialty centers with over 135 unique shops, a variety of restaurants and an entertainment center which includes a 16 screen megaplex movie theatre. The Predecessors were also constructing an 800 stall parking deck, which is approximately 70% complete. Completion of the parking deck is expected to facilitate the leasing of additional space at Ward Centers.

In January 2009, the HCDA approved a master plan for the entirety of Ward Centers. The term of the master plan is 15 years which can be extended if the master plan is being implemented to the satisfaction of the HCDA. The master plan proposes a mixed-use development with a maximum combined gross building area of over 9.3 million square feet for residential, retail, restaurants, entertainment and commercial use of which up to 7.6 million square feet can be residential, 5 million square feet can be retail/restaurants/entertainment and up to 4 million square feet can be office, commercial and other. In addition, up to 736,914 square feet can be industrial.

We have no obligation to proceed with construction of all or any portion of the master plan, however, should we decide to proceed, the most immediate obligation will be to enter into a development agreement with the HCDA on or before January 13, 2011. Any future development at this site will require us to obtain numerous permits, consents and approvals from various parties.

Ala Moana Tower Air Rights, Honolulu, Hawaii

GGP owns Ala Moana Center in Honolulu, Hawaii, which is one of the most popular and successful shopping centers in the world. The Predecessors own the air space located above a six-story parking facility which was originally engineered to support the development of a residential tower that is connected by vehicular bridges to the Ala Moana Center. Given that transfers of air rights are not permitted in Honolulu, Hawaii, GGP will form a condominium consisting of, among other things, residential units and commercial/retail units. The residential units will be transferred to us, with GGP continuing to own the commercial/retail portions of the condominium. As envisioned by GGP, the residential tower would have 210 luxury condominium units with appurtenant rights in designated parking spaces in the existing parking facility and other common elements, all steps from oceanfront parks. To construct the residential tower and divide the initial residential condominium units into individual residential condominium units, various permits, consents and approvals would have to be obtained.

We expect that our rights to develop the residential condominium will be established in the Declaration of Condominium creating the residential/commercial condominium and a Development Agreement to be entered into with GGP. The Declaration of Condominium and the Development Agreement are expected to permit the construction of a first class residential tower with up to eighteen stories, and to require, among other things, that the scope of work for the residential tower project will include certain street-level improvements and a sewer line, and that the plans and specifications for the residential tower project will be subject to GGP's review and approval.

Fashion Show Air Rights, Las Vegas, Nevada

Spanning over 2,000,000 square feet with over 250 shops and restaurants, Fashion Show Mall, which is owned by GGP, is the largest shopping destination on Las Vegas Boulevard. We believe that Fashion Show Mall is well-known by consumers in the local market and is in a highly desirable location for tenants. We expect to enter into a binding set of core principles with GGP pursuant to which we will have the ability to acquire for nominal consideration an 80% ownership interest in the air above the portions of Fashion Show Mall that are owned by GGP (the "FS Air") upon the satisfaction of a number of conditions. The rights will not become effective unless and until the existing loans and guaranties at Fashion Show Mall and The Shoppes at the Palazzo are satisfied in full, which is currently scheduled to occur in May 2017. Notwithstanding the foregoing fractional interest, we are the owners of the rights to develop the air (as conditioned and defined in the core principles).

The core principles agreement will provide a framework for us and GGP to develop the FS Air in the future, including, but not limited to, provisions with respect to:

- the use of limited areas owned by GGP as a gateway to developments constructed in the FS Air and compensation to GGP as a result of the same;
- protective measures to ensure preservation of the long-term value and ability to finance Fashion Show Mall;
- restrictions with respect to competitive uses;

- consents required from GGP for various development actions with respect to the FS Air;
- the main economic principles of the joint venture that will own the FS Air in which we hold an 80% interest and in which GGP will own a 20% interest, although we may hold an interest greater than 80% in particular projects that are constructed in the FS Air pursuant to the terms of the core principles;
- the transfer of the FS Air or interests therein to third parties;
- entering into more definitive documentation with respect to the conveyance and development of the FS Air;
- allocation of costs and expenses with respect to developments of the FS Air; and
- dispute resolution mechanics.

There is no conceptual plan for the development of the FS Air at this time and such development will be subject to our obtaining numerous third party consents, including, without limitation and in addition to the consents from GGP as listed above, entitlements and consents from various occupants of the Fashion Show Mall.

West Windsor, Princeton, New Jersey

This 653-acre land parcel is located north of New Jersey's state capital, Trenton, near Princeton University. The site is the former home of Wyeth Agricultural Research and Development Campus, which includes 450,000 square feet of laboratory and administrative space and an additional 250,000 square feet of outbuildings, which include warehouses, barns and greenhouses. There is currently an on-site waste water treatment plan and a transformer that is serviced by two separate electric grids. The buildings are currently unoccupied. The property is surrounded by retail and office developments and is within one mile of high income residential areas. The Predecessors had envisioned using this land to develop office space, research facilities, housing and hotel/conference center uses. Zoning, environmental and other development issues would have to be addressed in order to obtain entitlements for this or any development plan.

Allen, Texas

This 238-acre land parcel is strategically located in the heart of Collin County, a vibrant and growing market located northeast of Dallas. The property features high visibility, great access and high traffic volumes. The site is ideal for a variety of uses, which include office and residential with supporting retail.

Kendall, Florida

This is a four parcel 130-acre mixed-use project. One parcel was sold to West Kendall Baptist Hospital in March 2008 and three parcels remain available for development: Parcel B (approximately 69.8 acres), a portion of Parcel A (approximately 1.9 acres) and a portion of Parcel C (approximately 2.6 acres). We have entitlements to develop this land which expire in 2018. Parcels A and C are subject to an existing contract of sale that is currently under dispute in the Bankruptcy Court. The Predecessors are currently seeking to void the contract.

The Predecessors were pursuing the completion of the Phase I infrastructure construction of on and offsite improvements to meet land sale agreements with various parties, including Baptist Hospital, and to meet the obligations required to maintain the project entitlements and preserve asset value for future sale of Parcel B. The on-site infrastructure construction consists of new roadways and existing roadway improvements, stormwater management system and utilities, a regional pump station for the sanitary force main, Metrobus Transit Hub, Private Access Drive and a screen wall.

Land currently available for development is a 74-acre land parcel located adjacent to a Wal-Mart on North Kendall Drive, a major retail thoroughfare in Southwest Miami, with current entitlements for 60,000 square feet of office space, 50,000 square feet of community/municipal use, 621,000 square feet of retail use, up to a 24-screen, 4300-seat movie theatre, up to 145 hotel rooms, up to 200-bed/unit home senior assisted living facility and a public transportation hub for multiple bus routes. We believe that this site has an optimal shape, size and frontage for retail, commercial or mixed-use development.

Cottonwood Mall, Holladay, Utah

Cottonwood Mall was formerly a traditional enclosed mall located in Holladay, Utah, a suburb of Salt Lake City. The Predecessors demolished all but one anchor store, which is operating, and a restaurant, which is now closed, and envisioned replacing it with a mixed-use development that would combine shopping, residences, offices and other uses on the approximately 54-acre property. Tax increment financing and all necessary entitlements have been granted by local governments, provided we invest a certain amount of capital into the project and meet certain development milestones. The approved project would include up to 575,000 square feet of retail shopping, 195,000 square feet of office space, approximately 500 town homes, condominiums and single family homes to be built in phases and a multi-screen movie theater, specialty grocer and restaurants. At least 11 acres are required to be set aside for open space.

Mall Development Projects

We own four mall development projects in desirable demographic regions. When the credit market collapse occurred, and certain of the Predecessors sought bankruptcy protection, the Predecessors decided to suspend two major shopping center development projects that were underway, the Elk Grove Promenade and The Shops at Summerlin Centre. We will consider resuming development of these projects if and when conditions improve and the incremental cost can be justified.

The following table summarizes our mall development projects as of June 30, 2010:

ASSET	LOCATION	SIZE (ACRES)	NET BOOK VALUE ($ MILLIONS)	ACQUISITION DATE
The Shops at Summerlin Centre	Summerlin, NV	106	37.2	11/04(a)
Elk Grove Promenade	Elk Grove, CA	100	10.9	11/03
Circle T Ranch and Power Center(b)	Dallas/Ft. Worth, TX	279	9.0	10/05
Bridges at Mint Hill	Charlotte, NC	162	12.2	10/06 - 01/07
Total		647	69.3	

(a) Acquired in 2004 as part of the Predecessors' acquisition of The Rouse Company.

(b) Represents our 50% interest in these two development projects.

The following is a description of our mall development projects:

The Shops at Summerlin Centre, Las Vegas, Nevada

The Shops at Summerlin Centre consists of an approximately 100-acre parcel that is part of a larger 1,300-acre mixed-use village located at the western rim of the Las Vegas valley in the heart of our Summerlin master planned community. The Predecessors commenced construction of The Shops at Summerlin Centre, including an office building, however market conditions forced a delay of the project. Today, The Shops at Summerlin Centre is a partially developed regional retail center which was initially planned to consist of 1.2 million square feet of retail space and approximately 540,000 square feet of office space. The Shops at Summerlin Centre is surrounded by residential and commercial development. The parcel has the potential to be developed with office, retail, hotel and conference facilities, and residences. In 2009, Summerlin Town Centre's trade area encompassed approximately 672,000 people and 257,000 households. From 2009 to 2014, the trade area population is expected to grow at a rate that is almost three times the national average. By 2014, Nielsen™ estimates this trade area will grow by more than 100,000 people. The 2009 average household income within five miles of the site is $93,600, which is approximately 35% higher than the estimated 2009 average household income for all U.S. households of approximately $69,400.

If construction is resumed on the originally envisioned project, discussions with Clark County will be needed to determine if the County will extend building and other permits (whether expired or still in effect). If the originally envisioned project does not go forward, the existing steel infrastructure may not be usable and may need to be removed. There are no binding commitments, or ongoing liabilities, with the three anchors who originally were to be part of this development.

Elk Grove Promenade, Elk Grove, California

Elk Grove Promenade is a partially constructed open air regional mall, which when completed is envisioned to be 1.1 million square feet, located on approximately 100 acres in the community of Elk Grove, California. The project is approximately 17 miles southeast of downtown Sacramento and we believe that it could become a retail destination of choice in this community. In 2009, Elk Grove Promenade's trade area encompassed approximately 583,000 people and 194,000 households. From 2009 to 2014, the trade area population is expected to grow at a rate that is twice the national average. By 2014, Nielsen™ estimates there will be approximately 647,000 people within this trade area. The 2009 average household income within five miles of the site exceeds $100,000, which is approximately 44% higher than the estimated 2009 average household income for all U.S. households.

The Predecessors' development plans for Elk Grove Promenade offered a park-like setting where visitors could walk down canopy-covered walkways enjoying the shopping and outdoor cafes. The Predecessors designed the project for two major department stores, a big box store and a multi-screen theater complemented by approximately 150,000 square feet of floor area for big box retailers, 380,000 square feet of floor area for smaller tenants and 75,000 square feet of restaurant space.

When construction was halted in October 2008, the Predecessors had invested in excess of $170 million to complete the necessary infrastructure (utilities and roads), construct 75% of the shop space and prepare the anchor pads for delivery. Since the project was in the later stages of development, the Predecessors had been able to prelease approximately 60% of the project but all such lease arrangements have now been terminated. Substantial portions of off-site infrastructure (utilities and roads) have been completed. We are party to a development agreement with the city of Elk Grove which expires on September 5, 2011. Completion of the project will require an extension of the term of the agreement. Modification of the project may require other amendments to the development agreement. An extension of the term or other amendments to the development agreement would require the City of Elk Grove's consent.

Circle T Ranch and Circle T Power Center, Dallas-Forth Worth, Texas

We maintain a 50% ownership interest in a joint venture that owns a 279-acre site located in the Dallas-Fort Worth metropolitan area. The site consists of two parcels, Circle T Ranch, which contains 128 acres and Circle T Power Center, which contains 151 acres. The sites are ideally located at the intersection of two high traffic highways, which will allow for easy access and high visibility for the property.

In 2009, Circle T Ranch's trade area encompassed approximately 870,000 people and 308,000 households. From 2009 to 2014, the trade area population is expected to grow at a rate that is over three times the national average. By 2014, Nielsen™ estimates this trade area will add more than

144,000 people. The 2009 average household income within seven miles of the site is $131,100, which is approximately 89% higher than the estimated 2009 average household income for all U.S. households.

Bridges at Mint Hill, Charlotte, North Carolina

This property consists of vacant land located southeast of Charlotte, North Carolina, in the midst of some of the fastest growing areas in the Charlotte region. The parcel is approximately 160 acres and consists of 120 developable acres and is currently zoned for approximately 997,000 square feet of retail, hotel and commercial development. The land is divided by a small stream known as Goose Creek. The current zoning plan contemplates connecting the two resulting parcels with two bridges over the creek. Development will require construction of internal roadways, connecting bridges, expansion of roads and an installation of a force main (off-site) and pump station (on-site) for sewer utility.

In 2009, the Bridges at Mint Hill's trade area encompassed approximately 415,000 people and 154,000 households. From 2009 to 2014, the trade area population is expected to grow at a rate that is almost three times the national average. By 2014, Nielsen™ estimates there will be over 475,000 people in this trade area. The 2009 average household income within five miles of the site is $72,600, which slightly exceeds the estimated 2009 average household income for all U.S. households.

The Mint Hill parcel is adjacent to a 52-acre parcel owned by Childress Klein Properties ("CKP"), a Charlotte-based regional developer. The CKP parcel has been approved for up to 270,000 square feet of space and is expected to be anchored by three to five junior box retailers. We and CKP have entered into a development agreement providing for CKP to share in the cost of certain common on-site and off-site improvements that were expected to be constructed by the Predecessors.

Redevelopment Properties

We own seven operating properties that we consider to be redevelopment projects because we believe that, subject to obtaining all necessary consents and approvals, these assets have the potential for future growth by means of an improved tenant mix, or additional GLA, or repositioning of the asset for alternative use. These properties today comprise approximately 1 million total square feet of GLA in the aggregate. As of December 31, 2009, these redevelopment properties had an aggregate Mall shop occupancy rate of approximately 82.8% (excluding the closed portion of Century Plaza). Our future development plans may include office, retail or residential space, shopping centers, movie theaters, parking complexes and open space. Any future redevelopment will require the receipt of permits, licenses, consents and waivers from various parties.

The following table summarizes our redevelopment projects as of June 30, 2010:

ASSET	LOCATION	MALL SHOP(a) GLA	SIZE (ACRES)	NET BOOK VALUE ($ MILLIONS)	ACQUISITION DATE
Alameda Plaza	Pocatello, ID	190,341	5	2.4	07/02
Village at Redlands/Redlands Promenade	Redlands, CA	79,248(b)	15	9.8	01/04
Century Plaza	Birmingham, AL	16,706(c)	63	17.4	05/97
Rio West Mall	Gallup, NM	332,447	50	11.4	1981(d)
Riverwalk Marketplace	New Orleans, LA	194,228	11	79.7	11/04(e)
Park West	Peoria, AZ	102,171	48	83.8	10/06
Cottonwood Square	Salt Lake City, UT	77,079	6	5.3	07/02
Total		992,220	198	209.8	

(a) Mall shop GLA is gross leasable area for spaces less than 30,000 feet.

(b) Scheduled to close all but 38,069 square feet of Mall shop GLA on September 30, 2010.

(c) Only includes operating tenant space.

(d) This is the date the Rio West Mall opened.

(e) Acquired in 2004 as part of the Predecessors' acquisition of The Rouse Company.

The following is a description of our redevelopment properties:

Alameda Plaza, Pocatello, Idaho

The Alameda Plaza Shopping Center is a 190,000 square foot community center that sits in a high traffic area at the main intersection within the City of Pocatello. The property is currently under-utilized, as the anchor locations have been vacant for years, and will need to be redeveloped to meet the local market needs. We believe that the property could be redeveloped to reposition it as a high volume and high traffic grocery-anchored community center that incorporates junior box retailers and a mix of national and local retailers and service providers. With a population of approximately 50,000 people, the City of Pocatello is the home of Idaho State University and is a regional center for shopping, regional and cultural activities.

The Village at Redlands, Redlands, California

The Village at Redlands is a 174,000 square foot single-level enclosed community center located in the heart of the authentic historic downtown Redlands that is currently anchored by a CVS Drugs. The stores located in the enclosed portions of Redlands are scheduled to cease operating on or before September 30, 2010. The Predecessors envisioned redeveloping Redlands into a new streetscape of approximately 204,000 square feet of retail and approximately 230 residential condominiums.

Century Plaza Mall, Birmingham, Alabama

Century Plaza is a non-operating 450,000 square foot enclosed mall that was closed in May 2009. A grocery store is still operating on an outside parcel. The property is located in the eastern suburbs of Birmingham, Alabama at a high traffic intersection. Redevelopment will require securing fee simple ownership of the entire site and demolition of existing buildings.

Rio West, Gallup, New Mexico

Rio West is an approximately 513,000 square foot single-level enclosed regional mall located in Gallup, New Mexico, which is 89.2% occupied and is the only enclosed regional shopping center within a 125 mile radius. Rio West is leased from a single property owned pursuant to a ground lease that is set to expire in 2079.

Riverwalk Marketplace, New Orleans, Louisiana

Riverwalk Marketplace consists of approximately 194,000 square feet of retail shops and restaurants in an urban setting along the bank of the Mississippi River in downtown New Orleans. Riverwalk Marketplace is leased from private owners and local governmental agencies pursuant to five separate long-term leases, and any significant alterations, construction and development is subject to landlord consent. Opportunities for redevelopment are influenced by the condition of the New Orleans tourism industry which is gradually recovering from the effects of Hurricane Katrina.

Park West, Peoria, Arizona

Park West is currently a 166,000 square foot open-air lifestyle center located in a suburb of Phoenix, with 32 retail and restaurant tenants and a multi-screen theater. The lifestyle center opened in

October 2007 with a capacity for approximately 250,000 square feet of GLA. Approximately 35% of this capacity is raw space available for completion and occupancy. We have entitlements for future development of approximately 100,000 additional square feet for retail, restaurant and hotel use.

Cottonwood Square, Salt Lake City, Utah

Cottonwood Square is currently a 77,000 square foot community center located in Salt Lake City, Utah. The center is located in a high traffic area and sits across from our Cottonwood Mall, providing an opportunity for development synergies.

Other Interests

We also own or have interests in the following land and other assets, which have an aggregate net book value of approximately $100 million as of June 30, 2010.

Volo Land, Lakemoor, Illinois

This 40-acre vacant land parcel in a high traffic area 50 miles north of Chicago in a growing suburb.

Maui Ranch, Maui, Hawaii

This site consists of two, non-adjacent, 10-acre undeveloped land-locked parcels located near the Kula Forest Preserve on the island of Maui, Hawaii. There is no ground right of way access to the land and there is no infrastructure or utilities currently in the surrounding area. This land is currently zoned for native vegetation.

Profit Interest in Golf Courses at Summerlin & The Canyons, Las Vegas, Nevada

The Predecessors are entitled to receive residual payments from the Professional Golfers' Association of America (the "PGA") with respect to two golf courses, the TPC Summerlin and the TPC Las Vegas, through October 31, 2021. The Predecessors are entitled to receive 75% of the net operating profits and 90% of all profits from membership sales at the two courses until such time as the original investment in the courses of $23.5 million has been recouped, which is projected to occur no sooner than 2015. As of June 30, 2010, the remaining balance on our return of investment is approximately $7.4 million. Once the Predecessors have received payments from the PGA totaling $23.5 million, they are entitled to receive 20% of all net operating profits from the two courses through October 31, 2021, the termination date of the agreement with the PGA. The entity entitled to these residual payments will be owned by us. The TPC Summerlin is an 18-hole private championship course designed by golf course architect Bobby Weed with player consultant Fuzzy Zoeller. The TPC Las Vegas is an 18-hole daily-fee championship course designed by golf course architect Bobby Weed with player consultant Raymond Floyd. These represent the only two golf courses in Nevada that are owned and operated by the PGA Tour.

Note Approximating Office Lease Payments, Phoenix, Arizona

We have rights to receive payments approximating the capital lease revenue that GGP receives from the Arizona 2 Office in Phoenix, Arizona, totaling approximately $6.9 million per year through the end of 2015. The underlying real property interests in the Arizona 2 Office will continue to be owned by GGP and we will not own or obtain any real property interest therein or have any rights to receive payments after 2015. We expect to receive payment for these rights in the form of a promissory note issued by a subsidiary of GGP.

Nouvelle at Natick Condominium, Natick, Massachusetts

Nouvelle at Natick is a full service luxury condominium community comprised of 215 residences located at the Natick Collection in the Boston suburb of Natick, Massachusetts. Nouvelle at Natick's amenities include a 4,000 square foot private club, a 2,800 square foot fitness center, and a 1.2-acre rooftop garden with winding boardwalks, native grasses, flowers and trees. As of June 30, 2010, 128 of the 215 units have been sold and closed, and an additional 15 units are under contract for sale, leaving a remaining inventory of 72 units to be sold. Seven of the 72 units that remain to be sold are currently leased. We will receive on the Effective Date the then unsold inventory of units. The development permit for the project has an affordable housing requirement. To complete this requirement, GGP is required to sell three off-site residential units currently in its inventory and either, at its option, acquire and resell ten off-site residences or offer seven on-site units to purchasers that meet the affordable housing program's eligibility requirements. The development permit will be assigned to us, and any unsold off-site residential units will be transferred to us, on the Effective Date.

Minority Ownership Interest in Summerlin Hospital Medical Center, Las Vegas, Nevada

We have an ownership interest of approximately 6.8% in the Summerlin Hospital Medical Center. This property is a 450-bed hospital located on a 32-acre medical campus near Las Vegas. Summerlin Hospital Medical Center is located in our Summerlin master planned community. It is an acute care facility with adjoining outpatient services for surgery, laboratory and radiology as well as two medical office buildings. The hospital completed a major renovation in 2009 that expanded the hospital to 450 beds (from 281 beds) and added a new six-story patient tower, an expanded emergency room, a four-story, 80,000 square foot medical office building and a 600-space parking garage.

The property's majority owner and operator is a subsidiary of Universal Health Services, Inc. ("UHS"), one of the largest healthcare management companies in the nation. UHS and the Predecessors formed a joint venture to build and manage the hospital with the Predecessors contributing the land and UHS providing the funds to build the hospital.

Minority Ownership Interest in Head Acquisition (Hexalon)

We will own 100% of the ownership interests in Hexalon Real Estate, LLC ("Hexalon"). Hexalon owns a 1.42% interest in Head Acquisition, LP, a joint venture between GGP, Simon Property Group, L.P. and Westfield Group, which contains certain retail mall interests.

110 N. Wacker, Chicago, Illinois

We own a majority joint venture interest in an entity that holds a ground leasehold interest in the land underlying GGP's current corporate headquarters building located at 110 N. Wacker Drive in downtown Chicago which is currently scheduled to expire on March 31, 2055. The building owned by the joint venture contains approximately 225,000 square feet of office space. The land and the building are currently subleased to a subsidiary of GGP, and such subsidiary has the option to extend the sublease through 2055. We expect to enter into a sub-sublease or similar agreement whereby we will occupy some office space in 110 N. Wacker. We believe that this property is currently underdeveloped and presents an opportunity for redevelopment. Any such redevelopment, among other things, would likely require negotiation with the ground lease landlord to either extend the term of the ground lease or to acquire the underlying fee interest.

Certain Office and Other Rental Properties

We own six free-standing office and other rental properties in Columbia, Maryland. Also, near Houston, Texas (through our investment in the Woodlands Partnerships) we have interests in seven commercial office and retail buildings, two apartment buildings, a resort and conference center and two golf courses.

Our Relationship with Reorganized GGP following the Separation

Following the Separation, we and reorganized GGP will operate our businesses separately, each as an independent public company. Prior to the Separation, we and GGP will enter into certain agreements that will effect the Separation, provide a framework for our relationship with reorganized GGP after the Separation and provide for the allocation between us and GGP of certain assets, liabilities, employees and obligations attributable to periods prior to, at and after the Separation. The following is a summary of the terms of the material agreements that we intend to enter into with GGP prior to or in connection with the Separation. When used in this section, "distribution date" refers to the date on which the Distribution occurs.

The material agreements described below will be filed as exhibits to this registration statement and the summaries of each of these agreements set forth the terms of the agreements that we believe are material. These summaries are qualified in their entirety by reference to the full text of the applicable agreements, which are incorporated by reference into this registration statement. The terms of the agreements described below that will be in effect following the Separation have not yet been finalized; changes to these agreements, some of which may be material, may be made prior to the Separation.

The Separation Agreement

We intend to enter into a separation agreement (the "Separation Agreement") with GGP prior to or concurrently with the Distribution. The Separation Agreement sets forth, among other things, our agreements with GGP regarding the principal transactions necessary to separate us from GGP. It also sets forth the other agreements that govern certain aspects of our relationship with GGP after the distribution date. These other agreements are described in additional detail below.

Transfer of Assets and Assumption of Liabilities

The Separation Agreement identifies assets to be transferred, liabilities to be assumed and contracts to be performed by each of us and GGP as part of the Separation, and it provides for when and how these transfers, assumptions and assignments will occur. In particular, the Separation Agreement provides, among other things, that, subject to the terms and conditions contained therein:

- the Spinco Assets will be transferred to us;
- certain liabilities (whether accrued, contingent or otherwise) arising out of or resulting from the Spinco Assets, and other liabilities related to our business and operations, which we refer to as the "Spinco Liabilities," will be retained by or transferred to us;
- all of the assets and liabilities (whether accrued, contingent or otherwise) other than the Spinco Assets and Spinco Liabilities (such assets and liabilities, other than the Spinco Assets and the Spinco Liabilities, are referred to as the "Excluded Assets" and "Excluded Liabilities," respectively) will be retained by or transferred to GGP or one of its subsidiaries;
- except as otherwise provided in the Separation Agreement or any other transaction agreements, GGP will be responsible for any costs or expenses incurred prior to the distribution date in connection with the Separation and the costs and expenses relating to legal counsel, financial advisors and accounting advisory work related to the Separation, and such costs and expenses will be treated in accordance with the terms of the Plan; and
- except as otherwise provided in the Separation Agreement or other transaction agreements, the corporate costs and expenses incurred after the distribution date relating to the Separation will be borne by the party incurring such expenses.

The Spinco Assets and Spinco Liabilities will be transferred as of the distribution date without pro-ration and regardless of whether they relate to the period before or after the distribution date.

Except as may expressly be set forth in the Separation Agreement or any other transaction agreements, all assets will be transferred on an "as is," "where is" basis and the respective transferees will bear the economic and legal risks associated with the use of such respective assets both prior to and following the Separation, including, but not limited to, where any conveyance will prove to be insufficient to vest in the transferee good title, free and clear of any security interest, and any necessary notifications are not made, necessary approvals are not obtained or any requirements of laws or judgments are not complied with.

Conditions to the Separation and Distribution

The Separation Agreement provides that the Separation and the Distribution are subject to the satisfaction of the following material conditions (each of which may be waived by the party entitled to do so under the Separation Agreement), some of which also overlap with the Plan and the Investment Agreements:

- the restructuring of GGP required to effectuate the Separation shall have been completed in accordance with the Plan;
- the Effective Date of the Plan shall have occurred or will occur immediately following the Distribution;
- the receipt (without subsequent revocation or significant modification) by GGP of a private letter ruling from the Internal Revenue Service (the "IRS") to the effect that, among other things, the contribution by GGP of the Spinco Assets to us and the Distribution will qualify as a transaction that is tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(G) of the Internal Revenue Code (the "Code");
- the Securities and Exchange Commission (the "SEC") declaring effective this registration statement and no stop order suspending the effectiveness of this registration statement shall be in effect and no proceedings for such purpose shall be pending before or threatened by the SEC;
- our common stock to be delivered in connection with the Distribution shall have been approved for listing on the NYSE (subject to official notice of issuance);
- the transaction agreements relating to the Separation shall have been duly executed and delivered by the parties;
- no order, injunction or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing consummation of the Distribution or any of the related transactions shall be in effect;
- the designees of Brookfield Investor and Pershing Square, as set forth in the Investment Agreements, shall have been appointed to our board of directors; and
- no event or development shall have occurred or exist that, in the judgment of GGP's board of directors, in its sole discretion, makes it inadvisable to effect the reorganization, the Distribution and other related transactions.

There can be no assurance that any or all of these material conditions will be satisfied.

Claims

In general, each party to the Separation Agreement will assume liability for all pending, threatened and unasserted legal matters related to its own business or its assumed or retained liabilities and will indemnify the other party for any liability to the extent arising out of or resulting from such assumed or retained legal matters.

Intercompany Accounts

The Separation Agreement provides that, subject to any provisions in the Separation Agreement or any other transaction agreement to the contrary, prior to the Separation from GGP, all bank or brokerage accounts owned by us will be de-linked from the GGP accounts and all intercompany accounts between Spinco and GGP will be settled.

Releases

Except as otherwise provided in the Separation Agreement or any other transaction agreements, each party will release and forever discharge the other party and its respective subsidiaries and any person who was at any time prior to the distribution date a shareholder, director, officer, agent or employee of a member of the other party or one of its subsidiaries from all liabilities existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Separation. The releases will not extend to (a) obligations or liabilities under any agreements between the parties that remain in effect following the Separation pursuant to the Separation Agreement or any ancillary agreement, agreements of which include, but are not limited to, the Separation Agreement, the Transition Services Agreement (as subsequently defined), the Tax Matters Agreement (as subsequently defined), the Employee Matters Agreement (as subsequently defined), certain commercial agreements and the transfer documents in connection with the Separation, (b) liabilities specifically set forth in the Plan, (c) liabilities retained or assumed by or transferred to a party pursuant to the Separation Agreement or any ancillary agreement, or (d) ordinary course trade payables and receivables.

Indemnification

The Separation Agreement provides for cross-indemnities principally designed to place financial responsibility for the obligations and liabilities of our business with us and financial responsibility for the obligations and liabilities of GGP's business with GGP. Specifically, each party will, and will cause its subsidiaries to, indemnify, defend and hold harmless the other party and its subsidiaries and each of their respective officers, directors and employees for any losses arising out of or otherwise in connection with:

- the liabilities that each such party assumed or retained pursuant to the Separation Agreement (which, in the case of Spinco, would include the Spinco Liabilities and, in the case of GGP, would include the Excluded Liabilities) and the other transaction agreements;
- any liability (whether arising before or after the distribution date) for a misstatement or omission or alleged misstatement or omission of a material fact contained in any registration statement filed with the SEC by such party or its subsidiaries as registrant and any related, prospectus, offering memorandum, offering circular or similar disclosure document; and
- any breach by such party of the Separation Agreement, the ancillary agreements or any agreements between the parties specifically contemplated by the Separation Agreement or any ancillary agreement to remain in effect following the Separation.

In addition, we will indemnify, defend and hold harmless GGP and its subsidiaries and each of its officers, directors and employees for any losses arising out of or otherwise in connection with:

- our failure to pay, perform or otherwise promptly discharge any Spinco contract in accordance with its terms;
- except to the extent related to an Excluded Liability, any guarantee, indemnification obligation, arrangement, commitment or understanding by GGP or its subsidiaries for the benefit of Spinco or its subsidiaries that survives following the distribution date; and

- any action by us in contravention of our Amended and Restated Certificate of Incorporation or Amended and Restated Bylaws.

Legal Matters

Each party to the Separation Agreement will assume the liability for, and control of, all pending and threatened legal matters related to its own business or its assumed or retained liabilities and will indemnify the other party for any liability arising out of or resulting from such assumed legal matters. In the event of any third-party claims that name both companies as defendants but that do not primarily relate to either our business or GGP's business, each party will cooperate with the other party to defend against such claims. Each party will cooperate in defending any claims against the other for events that are related to the Separation, but may have taken place prior to, on or after such date.

Insurance

The Separation Agreement provides for the allocation among the parties of rights and obligations under existing insurance policies with respect to occurrences prior to the Separation and sets forth procedures for the administration of insured claims. In addition, the Separation Agreement allocates between the parties the right to proceeds and the obligation to incur certain deductibles under certain insurance policies. On the distribution date, Spinco is required to have in place all insurance programs to comply with its contractual obligations and as reasonably necessary for its business. GGP is required, subject to the terms of the agreement, to obtain certain directors and officers insurance policies to apply against pre-Separation claims.

Further Assurances

To the extent that any transfers contemplated by the Separation Agreement have not been consummated on or prior to the date of the Separation, the parties agree to cooperate to effect such transfers following the date of the Separation. In addition, each of the parties agrees to cooperate with the other party and use commercially reasonable efforts to take or to cause to be taken all actions, and to do, or to cause to be done, all things reasonably necessary under applicable law or contractual obligations to consummate and make effective the transactions contemplated by the Separation Agreement and the other transaction agreements, including the ratification of any actions necessary to effectuate the transactions contemplated by the Separation Agreement. For a period of six months following the Separation, GGP will pay all costs and expenses of any such transfers, and a reserve of $1,000,000 will be added to the Spinco Setup Costs (as subsequently defined) to cover such potential costs and expenses. The Spinco Setup Costs are included in determining whether a Spinco Note will be issued and in what amount. See "Management's Discussion and Analysis of Financial Condition and Results of Operation—Liquidity and Capital Resources—Spinco Note." On the six-month anniversary of the date of the Separation, if any portion of the $1,000,000 reserve has not been used by GGP to pay such costs and expenses, the amount of the unused portion will be deducted from the principal balance of the Spinco Note, if one was issued. From and after the six-month anniversary of the date of the Separation, all costs and expenses of any such transfers will be borne by Spinco.

Dispute Resolution

Prior to the closing of the voluntary petitions for relief under the Chapter 11 Cases, any dispute, controversy or claim arising out of the Separation Agreement or certain of the other transaction agreements shall be subject to the jurisdiction of and determination of the Bankruptcy Court.

Following the closing of the Chapter 11 Cases, subject to an accelerated process applicable to certain specified disputes, any dispute, controversy or claim arising out of the Separation Agreement or certain of the other transaction agreements, shall be resolved by negotiation of certain senior executives of the parties, or, if the parties are unable to resolve a dispute in this manner, by binding arbitration pursuant to the procedures set forth in the Separation Agreement and the CPR Institute for Dispute Resolution Rules for Non-Administered Arbitration as then in effect.

Other Matters

Other matters governed by the Separation Agreement include, among others, access to financial and other records and information, intellectual property, legal privilege, confidentiality, access to and provision of records and treatment of outstanding guarantees.

Termination

The Separation Agreement may be terminated, and the Distribution abandoned at any time prior to the Distribution by GGP in its sole discretion, without our approval. In the event of such termination, neither party or its officers or directors will have any liability to the other party under the Separation Agreement. After the Distribution, the Separation Agreement may not be terminated or amended except by an agreement in writing signed by each of the parties to the Separation Agreement.

Transition Services Agreement

Prior to the Separation, we or certain of our subsidiaries and GGP or certain of its subsidiaries will enter into a transition services agreement in connection with the Separation (the "Transition Services Agreement") whereby GGP or its subsidiaries will provide to us, on a transitional basis, certain specified services on an interim basis for various terms not exceeding 24 months following the Separation. We may terminate certain specified services by giving prior written notice to GGP of any such termination.

The services that GGP will provide to us include, among others, payroll, human resources and employee benefits, financial systems management, treasury and cash management, accounts payable services, telecommunications services, information technology services, property management services, legal and accounting services and various other corporate services. The charges for the transition services generally are intended to allow GGP to fully recover the costs directly associated with providing the services, plus a level of profit consistent with an arm's length transaction together with all out-of-pocket costs and expenses. The charges of each of the transition services will generally be based on an hourly fee arrangement and pass-through out-of-pocket costs. We will be provided with reasonable information that supports the charges for such transition service by GGP.

We have been preparing for the transition of the services to be provided by GGP under the Transition Services Agreement from GGP, or third-party providers on behalf of GGP, to us. Subject to certain exceptions, the liabilities of GGP for providing services under the Transition Services Agreement will generally be limited to the greater of the aggregate charges (excluding any third-party costs and expenses included in such charges) actually paid to GGP by us pursuant to the Transition Services Agreement and $10,000,000. The Transition Services Agreement also provides that GGP shall not be liable to us for any special, indirect, incidental or consequential damages related to the provision of services.

Tax Matters Agreement

Prior to the Separation, we and GGP will enter into a tax matters agreement that will govern the parties' respective rights, responsibilities and obligations with respect to taxes, tax attributes, the preparation and filing of tax returns, the control of audits and other tax proceedings and assistance and cooperation in respect of tax matters (the "Tax Matters Agreement"). Taxes relating to or arising out of the failure of certain of the transactions described in the private letter ruling request to qualify as a tax-free transaction for U.S. federal income tax purposes will be borne by us and GGP based on certain percentages to be determined in accordance with the relative market capitalization of the two companies, except if such failure is attributable to our action or inaction or GGP's action or inaction, as the case may be, or any event (or series of events) involving our assets or stock or the assets or stock of GGP, as the case may be, in which case the resulting liability will be borne in full by us or GGP, respectively. Our obligations under the Tax Matters Agreement are not limited in amount or subject to any cap. Further, even if we are not responsible for tax liabilities of GGP and its subsidiaries under the Tax Matters Agreement, we nonetheless could be liable under applicable tax law for such liabilities if GGP were to fail to pay them. If we are required to pay any liabilities under the circumstances set forth in the Tax Matters Agreement or pursuant to applicable tax law, the amounts may be significant.

The Tax Matters Agreement will also restrict our ability (and the ability of any member of our group) to take actions, whether before or after the Separation and Distribution, that could cause the Separation and the Distribution to fail to qualify as a tax-free reorganization for U.S. federal income tax purposes, unless we obtain a private letter ruling from the IRS or an unqualified opinion of a nationally recognized law firm that such action will not cause the Distribution or certain related transactions to fail to qualify as tax-free transactions for U.S. federal income tax purposes. Notwithstanding receipt of such ruling or opinion, in the event that such action causes the Distribution or certain related transactions to fail to qualify as a tax-free transaction for U.S. federal income tax purposes, we will continue to remain responsible for taxes arising therefrom.

Surety Bond Indemnity Agreement

Prior to the Separation, we and GGP will enter into a surety bond indemnity agreement (the "Surety Bond Indemnity Agreement") that will govern the continuation of certain surety bonds that were issued under GGP's surety bond facilities prior to the distribution date in respect of projects related to our business (the "Spinco Bonds"). Under the terms of the Surety Bond Indemnity Agreement, we agree to reimburse GGP for any applicable premiums and fees in connection with the Spinco Bonds, and to pay GGP an additional market rate for the continued use of its surety bond facilities. We also agree to indemnify GGP or its applicable subsidiary from and against, and pay to GGP or its applicable subsidiary the amount of, any and all losses arising out of or related to the Spinco Bonds. We will use our commercially reasonable efforts to replace, discharge or eliminate each of the Spinco Bonds as promptly as practicable, but, in any event, within 24 months after the Effective Date, with a new surety bond, letter of credit or similar instrument that does not involve any recourse to GGP or its applicable subsidiary.

Employee Matters Agreement

Prior to the Separation, we and GGP will enter into an employee matters agreement that will govern our compensation and employee benefit obligations with respect to our current and former employees and for other employment and employee benefits matters (the "Employee Matters Agreement").

The Employee Matters Agreement will allocate liabilities and responsibilities relating to employee compensation and benefit plans and programs and related matters in connection with the Separation, including, among other things, the treatment of outstanding GGP option awards, annual and long-term incentive awards, severance arrangements, retirement plans and welfare benefit obligations. Under the terms of the Employee Matters Agreement, we will generally assume all liabilities and assets relating to employee compensation and benefits for our current and former employees (including compensation awarded pursuant to GGP's incentive plan for full-time employees, the 2010 Cash Value Added Incentive Compensation Plan (the "CVA Plan")), and GGP will generally retain all liabilities and assets relating to employee compensation and benefits for current and former GGP employees (including compensation awarded pursuant to the CVA Plan).

Employee Benefits

The Employee Matters Agreement will provide that our employees may continue to participate in GGP welfare benefit plans, including healthcare, dental, vision and disability plans, until December 31, 2010. We will reimburse GGP for the actual cost to GGP of providing such benefits to our employees. As of January 1, 2011, we will adopt corresponding welfare benefit plans for all of our employees. We will also reimburse GGP for the cost of any annual or long-term incentive awards, severance benefits and other similar benefits provided to our employees in accordance with the terms of GGP's employee benefit plans following the Separation. In addition, certain GGP employees who provide services to us and who will become our employees on January 1, 2011 will continue to be employed by GGP for the period from the Separation until December 31, 2010 pursuant to an "employee lease agreement." During this period, these leased employees will continue to participate in all of GGP's employee benefit plans, and we will reimburse GGP for the actual cost to GGP of providing such benefits and for the cost of any annual or long-term incentive awards, severance benefits and other similar benefits provided to such leased employees.

Option Awards

Pursuant to the Plan, each outstanding option to acquire shares of GGP stock (the "GGP Option") will be converted into (i) an option to acquire the same number of shares of common stock of reorganized GGP and (ii) a separate option to acquire 0.0983 shares (which is based upon a maximum number of Spinco Shares and options and warrants to acquire Spinco common stock) of our common stock (the "Spinco Option") for each existing option for one share of GGP common stock. The replacement options will have the same terms and conditions as the outstanding GGP Options. As of the Effective Date, we expect 507,307 shares of common stock to be issuable upon exercise of the Spinco Options. The exercise price per share of a Spinco Option that is converted from a GGP Option shall be the exercise price per share under the GGP Option multiplied by a fraction the numerator of which is the Spinco Trading Value and the denominator of which is the sum of the Reorganized GGP Trading Value and the Spinco Trading Value. "Spinco Trading Value" means the volume weighted average trading price of our common stock during the last ten-day trading period ending on or before the sixtieth calendar day following the Effective Date. "Reorganized GGP Trading Value" means the volume weighted average trading price of reorganized GGP common stock during the last ten-day trading period ending on or before the sixtieth calendar day following the Effective Date.

Notwithstanding the foregoing, pursuant to the terms of GGP's 1998 Incentive Stock Plan, holders of any outstanding GGP Option issued thereunder shall have the right to elect, within sixty days after the Effective Date, to surrender such option as of the Effective Date for a cash payment equal to the amount by which the highest reported sales price of a share of GGP common stock in any transaction reported on the NYSE Composite Tape during the sixty-day period ending on the Effective Date exceeds the exercise price per share under such option, multiplied by the number of shares of GGP common stock under such option.

Pension Plans

The Employee Matters Agreement will provide that, on the Separation date, sponsorship of the General Growth Pension Plan for Employees of Victoria Ward, Limited will be transferred to and assumed by us.

2010 Equity Incentive Plan

We intend to adopt the 2010 Equity Incentive Plan (the "Equity Plan"). The Equity Plan will become effective on the Effective Date. The number of shares of our common stock reserved for issuance under the Equity Plan will be equal to 8% of our outstanding shares on a fully diluted basis as of the Effective Date (including shares issuable under the Plan). The Equity Plan will provide for grants of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, other stock-based awards and performance-based compensation (collectively, "the Awards"). Directors, officers and other employees of us and our subsidiaries and affiliates will be eligible to receive Awards. See "Item 11. Description of Registrant's Securities to Be Registered."

Competition

The nature and extent of the competition we face depends on the type of property involved. With respect to our master planned communities, we compete with other landholders and residential and commercial property developers in the development of properties within the Baltimore/Washington, D.C., Las Vegas and Houston markets. Significant factors which we believe allow us to compete effectively in this business include:

- the size and scope of our master planned communities;
- the recreational and cultural amenities available within the communities;
- the commercial centers in the communities, including those retail properties that we own and/or operate or may develop;
- our relationships with homebuilders; and
- the proximity to major metropolitan areas.

With respect to malls and development projects, our direct competitors include other commercial property developers, retail mall development and operating companies and other owners of retail real estate that engage in similar businesses. With respect to our mixed-use development projects, we will also be required to compete for financing.

Within our operating properties, we compete for retail tenants. We believe the principal factors that retailers consider in making their leasing decision include: consumer demographics; quality, design and location of properties; neighboring real estate projects that have been developed by the Predecessors or that we, in the future, may develop; diversity of retailers and anchor tenants at shopping center locations; management and operational expertise; and rental rates.

Environmental Matters

Under various Federal, state and local laws and regulations, an owner of real estate is liable for the costs of removal or remediation of certain hazardous or toxic substances on such real estate. These laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The costs of remediation or removal of such substances may be substantial, and the presence of such substances, or the failure to promptly remediate such substances, may adversely affect the owner's ability to sell such real estate or to borrow using such real estate as collateral. In connection with our ownership and operation of our properties, we, or the relevant joint venture through which the property is owned, may be potentially liable for such costs.

Substantially all of our properties have been subject to Phase I environmental assessments, which are intended to evaluate the environmental condition of the surveyed and surrounding properties. Phase I environmental assessments typically include a historical review, a public records review, a site visit and interviews, but do not include soil sampling or subsurface investigations. To date, the assessments have not revealed any known environmental liability that we believe would have a material adverse effect on our overall business, financial condition or results of operations. Nevertheless, it is possible that these assessments do not reveal all environmental liabilities or that conditions have changed since the assessments were prepared (typically at the time the property was purchased or developed). Moreover, no assurances can be given that future laws, ordinances or regulations will not impose any material environmental liability on us, or the current environmental condition of our properties will not be adversely affected by tenants and occupants of the properties, by the condition of properties in the vicinity of our properties (such as the presence on such properties of underground storage tanks) or by third parties unrelated to us.

Future development opportunities may require additional capital and other expenditures in order to comply with federal, state and local statutes and regulations relating to the protection of the environment. In addition, there is a risk when redeveloping sites, such as the West Windsor, Princeton, NJ, site, that we might encounter previously unknown issues that require remediation or residual contamination warranting special handling or disposal, which could affect the speed of redevelopment. In addition, where redevelopment involves renovating or demolishing existing facilities, we may be required to undertake abatement and/or the removal and disposal of building materials or other remediation or cleanup activities that contain hazardous materials. In addition, in the event that we redevelop our Cottonwood Mall property, we may be required to remediate certain soil and groundwater contamination that has been identified on the property. We may not have sufficient liquidity, however, to comply with such statutes and regulations or to address such conditions and may be required to halt or defer such development projects. We cannot predict with any certainty the magnitude of any such expenditures or the long-range effect, if any, on our operations. Compliance with such laws has not had a material adverse effect on the Predecessors' operating results or competitive position in the past but could have such an effect in the future.

Employees

We expect to have approximately 142 employees as of the Effective Date, 98 of whom will be temporarily leased from the Predecessors under an employee leasing agreement until January 1, 2011 when they will become our direct employees. These employees will devote all of their time to us and will cease providing services to the Predecessors as of the Effective Date.

Available Information

Following the effectiveness of this registration statement, we will be required to file annual, quarterly and other current reports and information with the SEC. You may read and copy any materials filed by us with the SEC at its Public Reference Room at 100 F. Street, NE, Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Our filings are also available to the public at the SEC's website at http://www.sec.gov.

ITEM 1A. RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the following risks, as well as the other information contained in this registration statement, before making an investment in our company. If any of the following risks actually occur, our business, financial condition and/or results of operations could be materially and adversely affected. In such an event, the trading price of our common stock could decline and you could lose part or all of your investment.

Risks Related to our Business

We have a history of losses and may not be profitable in the future.

Our historical combined financial data was carved-out from the financial information of GGP and shows that had we been a stand-alone company, we would have had a history of losses, and we cannot assure you that we will achieve sustained profitability going forward. For the six months ended June 30, 2010 and the years ended December 31, 2009, 2008 and 2007, we would have incurred losses from continuing operations of $48.5 million, $702.9 million, $17.9 million and $3.9 million, respectively. In addition, for the six months ended June 30, 2010 and the years ended December 31, 2009, 2008 and 2007, net cash used in operating activities was $51.2 million, $17.9 million, $50.7 million and $52.0 million, respectively. If we cannot improve our profitability or generate positive cash from operating activities, the trading value of our common stock may decline.

We have no operating history as an independent company upon which you can evaluate our performance, and accordingly, our prospects must be considered in light of the risks that any newly independent company encounters.

We have no experience operating as an independent company and performing various corporate functions, including human resources, tax administration, legal (including compliance with the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") and with the periodic reporting obligations of the Exchange Act), treasury administration, investor relations, internal audit, insurance, information technology and telecommunications services, as well as the accounting for items such as equity compensation and income taxes. Our business will be subject to the substantial risks inherent in the commencement of a new business enterprise in an intensely competitive industry. Our prospects must be considered in light of the risks, expenses and difficulties encountered by companies in the early stages of independent business operations, particularly companies that are heavily affected by economic conditions and operate in highly competitive environments.

We will depend on an interim management company to assist us in operating our business.

We intend to hire permanent executives with development and master planned community expertise to complement our existing strong operational management team in our Master Planned Communities segment. Our financial results and ability to compete as a stand-alone entity will suffer if we are unable to attract, integrate or retain qualified executives to serve as our permanent executive management team. In the interim, we have entered into the Management Agreement with Brookfield Advisors to provide us with interim executive officers and leadership and oversight for our business until our permanent executive management team can be identified and assume their roles. During this interim period, we will be heavily reliant on Brookfield Advisors, who will have significant discretion as to the implementation and execution of our business strategies and risk management practices. Our operational success and ability to execute our business strategy will depend significantly upon the satisfactory performance of these services by Brookfield Advisors until permanent management is in place. See "Certain Relationships and Related Transactions, and Director Independence—Interim Management Agreement."

We may face potential difficulties in obtaining operating and development capital.

The successful execution of our business strategy will require the availability of substantial amounts of operating and development capital both initially and over time. Sources of such capital could include operating cash flow, bank borrowings, public and private offerings of debt or equity, sale of certain assets and joint ventures with one or more other parties. In recent periods, it has been difficult for companies with substantial profitable operating history to source capital for real estate development and acquisition projects, as well as basic working capital needs. As we have no operating history as a stand-alone company or permanent executive management team in place, we may find it difficult or impossible to acquire cost-effective capital to implement our business strategy from any source.

We expect to continue making investments in real estate development, which will require still more capital. We cannot assure you that financing for future expenditures will be available on favorable terms or at all, due to instability in the credit markets, our lack of operating history as a stand-alone company and a variety of other factors. As a result, we may be unable to operate our business as currently planned, take advantage of future development opportunities or respond to competitive pressures.

Our ability to operate our business effectively may suffer if we do not establish our own financial, administrative and other support functions to operate as a stand-alone company.

Historically, we have relied on the financial, administrative and other support functions of GGP to operate our business and we will continue to rely on GGP for these and other vital services on a transitional basis pursuant to the Transition Services Agreement that we expect to enter into with GGP. See "Business—Our Relationship with Reorganized GGP following the Separation—Transition Services Agreement." These services may not be sufficient to meet our needs and, after these agreements expire, we may not be able to replace these services at all or obtain these services at acceptable prices and terms.

We will also need to rapidly establish our own accounting and auditing policies. In connection with the Separation and the Distribution, we will become subject to the reporting requirements of the Exchange Act and the Sarbanes-Oxley Act and will be required to prepare our financial statements in accordance with GAAP for filing with the SEC. In addition, the Exchange Act requires that we file annual, quarterly and current reports. Our failure to prepare and disclose this information in a timely manner could subject us to penalties under federal securities laws, expose us to lawsuits and restrict our ability to access financing. The Sarbanes-Oxley Act requires that we, among other things, establish and maintain effective internal controls and procedures for financial reporting and disclosure purposes. We may not be successful in identifying and establishing the requisite controls and procedures. In addition, establishing and monitoring these controls could result in significant costs to us and require us to divert substantial resources, including management time, from other activities. Any failure in our own financial or administrative policies and systems could impact our financial performance and could materially harm our business and financial performance.

After the Separation, we may experience increased costs resulting from a decrease in the purchasing power and other operational efficiencies we currently have due to our association with GGP.

We have historically been able to take advantage of GGP's purchasing power in technology and services, including information technology, marketing, insurance, treasury services, property support and the procurement of goods. As a smaller, separate, stand-alone company, it may be more difficult for us to obtain goods, technology and services at prices and on terms as favorable as those available to us prior to the Separation.

We may be unable to develop and expand properties.

Our business objective in our Strategic Development segment is to develop and redevelop our properties, which we may be unable to do if we do not have or cannot obtain sufficient capital to proceed with planned development, redevelopment or expansion activities. In addition, the construction costs of a project, including labor and materials may exceed original estimates or available financings. We may be unable to obtain zoning, governmental permits and authorizations or anchor store, mortgage lender and property partner approvals that are required for any such development, redevelopment or expansion. For example, a number of municipal, state and federal discretionary approvals are necessary to implement a future redevelopment plan at South Street Seaport. In addition, also by way of example, our ability to acquire the air rights above and/or adjacent to the Fashion Show Mall in Las Vegas, Nevada is conditioned upon myriad factors including, but not limited to, anchor tenant consents and reciprocal easement agreements to allow for the construction of a building within the air rights. We may abandon redevelopment or expansion activities already under way which we are unable to complete, which may result in additional cost recognition. In addition, if redevelopment, expansion or reinvestment projects are unsuccessful, the investment in such project may not be fully recoverable from future operations or sale.

Prior to the Separation we will enter into agreements with GGP with respect to certain of our assets and we may have conflicts with GGP which could adversely affect our business.

We expect to enter into agreements with reorganized GGP that will govern the parties' respective rights and obligations with respect to several of the assets to be contributed to us or in which we will have an interest. Upon the Separation, we may have economic or business interests that are divergent from reorganized GGP's in relation to a particular asset, and we may have disagreements with reorganized GGP with respect to how these assets are managed and developed in the future.

For example, we expect to enter into a core principles agreement with reorganized GGP that will govern our rights to acquire and develop the air owned by reorganized GGP above the Fashion Show Mall. Pursuant to the core principles agreement, we will have the ability to acquire an 80% interest in an entity that will have the capability to obtain such air rights after satisfaction of the existing long-term mortgage indebtedness encumbering the Fashion Show Mall and The Shoppes at the Palazzo. Pursuant to the agreement, reorganized GGP would have the right to own up to a 20% interest in such entity, subject to potential dilution pursuant to the terms of a partnership agreement to be entered into at a later date. All decisions with respect to the development of the air above Fashion Show Mall will be subject to varying levels and standards of discussion, negotiation and/or approval with reorganized GGP and other third parties at a future date. We also expect to enter into a development agreement with reorganized GGP with respect to the Ala Moana condominium development. In addition, we expect to enter into an agreement with reorganized GGP with respect to the future development of Columbia Town Center. We will also enter into occupancy agreements as landlord and/or tenant with reorganized GGP for space in 110 N. Wacker, 10000 West Charleston Boulevard in Las Vegas (the Summerlin headquarters building), and the Columbia headquarters building. We may not be able to resolve any conflicts or disagreements that may arise between us and reorganized GGP and possibly relevant third parties, including governmental agencies, subsequent to the Separation, and such conflicts or disagreements could materially impair our development plans and goals, including financing options for particular assets, which could have a material adverse affect on our business and prospects.

A prolonged recession in the national economy, or a further downturn in national or regional economic conditions, could adversely impact our business.

The collapse of the housing market, together with the crisis in the credit markets, have resulted in a recession in the national economy with high unemployment, a lower gross domestic product and reduced consumer spending. At such times, potential customers often defer or avoid real estate purchases due to the substantial costs involved, causing land and other real estate prices to significantly decline. Significantly tighter lending standards for borrowers are also having a significant negative effect on demand. A record number of homes in foreclosure and forced sales by homeowners under distressed economic conditions are significantly contributing to the high levels of inventories of lots available for sale in some of our master planned communities.

The housing market and the demand from builders for lots is local and can be very volatile, and projected lots sales used in our feasibility analysis may not be met. In addition, the success of our master planned communities business is heavily dependent on local housing markets in Las Vegas, Nevada, Houston, Texas and Columbia, Maryland, which in turn are dependent on the health and growth of the economies and availability of credit in these regions.

We do not know how long the downturn in the real estate market will last or when real estate markets will return to more normal conditions. High unemployment, lack of consumer confidence and other adverse conditions in the current economic recession could significantly delay a recovery in real estate markets. Our business will suffer until market conditions improve. If market conditions were to worsen, the demand for our real estate products could further decline, negatively impacting our earnings, cash flow and liquidity. A prolonged recession could have a material adverse effect on our business, results of operations and financial condition.

New directors and officers may change our long-range plans.

We have entered into the Management Agreement with Brookfield Advisors to provide us with interim executive officers and leadership and oversight for our business until our permanent executive management team can be identified and assume their roles. It is expected that following this interim period we will hire a permanent management team. In addition, as described in "Directors and Executive Officers," we expect to make changes to our Board of Directors on the Effective Date. These new directors and/or the permanent management team may make material changes to the business, operations and long-range plans of our company. It is impossible to predict what these changes will be and the impact they will have on future results of operations and the price of our common stock. See "Certain Relationships and Related Transactions, and Director Independence—Interim Management Agreement."

We may face potential successor liability.

As the successor to the Predecessors, we may be subject to liability based on previous actions of the Predecessors. Such liability may arise in a number of circumstances, such as if a creditor of the Predecessors did not receive proper notice of the pendency of the bankruptcy case relating to the Plan or the deadline for filing claims therein; the injury giving rise to, or source of, a creditor's claim did not manifest itself in time for the creditor to file the creditor's claim; a creditor did not timely file the creditor's claim in such bankruptcy case due to excusable neglect; we are liable for the Predecessors' tax liabilities under a federal and/or state theory of successor liability; or the order of confirmation for the Plan is found to be procured by fraud. If we should become subject to such successor liability, it could materially adversely affect our business, financial condition and results of operations.

Significant competition could have an adverse effect on our business.

The nature and extent of the competition we face depends on the type of property involved. With respect to our master planned communities, we compete with other landholders and residential and commercial property developers in the development of properties within the Baltimore/Washington, D.C., Las Vegas and Houston markets. A number of residential and commercial developers, some with greater financial and other resources, compete with us in seeking resources for development and prospective purchasers and tenants. Competition from other real estate developers may adversely affect our ability to attract purchasers and sell residential and commercial real estate; sell undeveloped rural land; attract and retain experienced real estate development personnel; or obtain construction materials and labor. These competitive conditions can make it difficult to sell land at desirable prices and can adversely affect operations, financial condition, or results of operations.

There are numerous shopping facilities that compete with our Operating Retail Properties (as subsequently defined) in attracting retailers to lease space. The bankruptcy of the Predecessors may have impaired the desirability and competitiveness of our shopping facilities. Even after emergence from bankruptcy, there may be a continued impairment with respect to the desirability and competitiveness of our shopping facilities. In addition, retailers at these properties face continued competition from other retailers, including retailers at other regional shopping centers, whether owned by reorganized GGP or otherwise, outlet malls and other discount shopping centers, discount shopping clubs, catalog companies, internet sales and telemarketing. Competition of this type could adversely affect our results of operations and financial condition.

In addition, we will compete with other major real estate investors with significant capital for attractive investment and development opportunities. These competitors include REITs, such as reorganized GGP, investment banking firms and private institutional investors.

Our results of operations in our Strategic Development segment are subject to significant fluctuation by various economic factors that are beyond our control.

Our results of operations are subject to significant fluctuation by various economic factors that are beyond our control. Fluctuations in these factors may decrease or eliminate the income generated by a property, and include, but are not limited to:

- the regional and local economy, which may be negatively impacted by plant closings, industry slowdowns, increased unemployment, lack of availability of consumer credit, levels of consumer debt, housing market conditions, adverse weather conditions, natural disasters and other factors;
- local real estate conditions, such as an oversupply of, or a reduction in demand for, retail space or retail goods, and the availability and creditworthiness of current and prospective tenants;
- perceptions by retailers or shoppers of the safety, convenience and attractiveness of the retail property;
- the convenience and quality of competing retail properties and other retailing options such as the internet;
- our ability to lease space, collect rent and attract new tenants; and
- tenant rent prices, which may decline for a variety of reasons, including the impact of co-tenancy provisions in lease agreements with certain tenants.

A decline in our results of operations in our Strategic Development segment could have a negative impact on the trading price of our common stock.

If the recoverable values of our remaining inventory of real estate assets were to drop below the book value of those properties, we would be required to write-down the book value of those properties, which would have an adverse affect on our balance sheet and our earnings.

Some of our projects have expensive amenities, such as pools, golf courses and clubs, or feature elaborate commercial areas requiring significant capital expenditures. Many of these costs are capitalized as part of the book value of the project land. Adverse market conditions, in certain circumstances, may require the book value of real estate assets to be decreased, often referred to as a "write-down" or "impairment." A write-down of an asset would decrease the value of the asset on our balance sheet and would reduce our earnings for the period in which the write-down is recorded.

We recorded impairment charges of $680.3 million, $52.5 million and $125.9 million for the years ended December 31, 2009, 2008 and 2007, respectively. If market conditions were to continue to deteriorate, and the recoverable values for our real estate inventory and other project land were to fall below the book value of these assets, we could be required to take additional write-downs of the book value of those assets and such write-downs could be material.

We are a holding company and depend on our subsidiaries for cash.

We are a holding company, with no operations of our own. In general, we depend on our subsidiaries for cash. Our operations are conducted almost entirely through its subsidiaries. Our ability to generate cash to meet our debt service obligations is dependent on the earnings of and the receipt of funds from subsidiaries through dividends, distributions or intercompany loans. The ability of our subsidiaries to pay any dividends or distributions are limited by their obligations to satisfy their own obligations to their creditors and preferred stockholders before making any dividends or distributions to their parent holding companies. In addition, Delaware law imposes requirements that may restrict the ability to pay dividends to holders of our common stock.

We share ownership and control of some of our properties with partners and may have conflicts of interest with those investors.

We own some of our properties jointly with joint venture partners. While we generally participate in making decisions for our jointly owned properties and assets, we might not always have the same interests as the partner in relation to a particular asset, and we might not be able to favorably resolve any issues that arise. For example, our Woodlands master planned community is jointly owned and we jointly make decisions with our joint venture partner. We cannot control the ultimate outcome of any jointly made decision, which may be to the detriment to holders of our common stock. Some of our interests, such as the Summerlin Medical Hospital Center, are controlled entirely by our partners.

Bankruptcy of our joint venture partners could impose delays and costs on us with respect to our jointly owned assets.

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

Our business model includes entering into joint venture arrangements with strategic partners. This model may not be successful and our business could be adversely affected if we are not able to successfully attract desirable strategic partners or complete agreements with strategic partners.

We intend to seek strategic partners, alliances or joint venture relationships as part of our overall strategy for particular developments or regions. These joint venture partners may bring development experience, industry expertise, financial resources, financing capabilities, brand recognition and credibility or other competitive assets. We cannot assure you, however, that we will have sufficient resources, experience and/or skills to locate desirable partners. We also may not be able to attract partners who want to conduct business in the locations where our properties are, and who have the assets, reputation or other characteristics that would optimize our development opportunities.

Once a potential partner has been identified, actually reaching an agreement on a transaction may be difficult to complete and may take a considerable amount of time considering that negotiations require careful balancing of the parties' various objectives, assets, skills and interests. A formal partnership with a joint venture partner may also involve unfavorable terms relating to voting control over the joint venture, the ability to take actions contrary to our instructions or requests, or contrary to our policies or objectives and the loss of or reduction in our joint venture ownership interest if we are not able to fund financial obligations to the joint venture as contractually required.

Our business could be adversely affected if we are unable to manage our relationships with strategic partners and joint ventures going forward.

We currently have and plan to enter in the future into further joint venture partnerships. Once a partnership has been formed, the venture partner could experience financial difficulties or actions by a venture partner may subject property owned by the joint venture to liabilities greater than those contemplated by the joint venture agreement or have other adverse consequences, which could adversely affect our joint venture interest and overall business.

A key complicating factor is that strategic partners may have economic or business interests or goals that are inconsistent with ours or that are influenced by factors unrelated to our business. These competing interests lead to the difficult challenges of successfully managing the relationship and communication between strategic partners and monitoring the execution of the partnership plan. We cannot assure that we will have sufficient resources, experience and/or skills to effectively manage our ongoing relationships with our strategic partners. We may also be subject to adverse business consequences if the market reputation of a strategic partner deteriorates. If we cannot successfully manage our relationships with our strategic partners, our business could be adversely affected.

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

Future terrorist attacks in the United States or other acts of violence may result in declining economic activity, which could harm the demand for goods and services offered by tenants and the value of our properties and might adversely affect the value of an investment in our securities. Such a resulting decrease in retail demand could make it difficult to renew or re-lease properties at lease rates equal to or above historical rates. Terrorist activities or violence also could directly affect the value of our properties through damage, destruction or loss, and the availability of insurance for such acts, or of insurance generally, might be lower or cost more, which could increase our operating expenses and adversely affect our financial condition and results of operations. To the extent that tenants are affected by future attacks, their businesses similarly could be adversely affected, including their ability to continue to meet obligations under their existing leases. These acts might erode business and consumer confidence and spending and might result in increased volatility in national and international financial markets and economies. Any one of these events might decrease demand for real estate, decrease or delay the occupancy of new or redeveloped properties, and limit access to capital or increase the cost of capital.

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

A number of our properties are located in areas which are subject to natural or other disasters, including hurricanes, earthquakes and oil spills. Some of our properties are located in coastal regions, and would therefore be affected by increases in sea levels, the frequency or severity of hurricanes and tropical storms, or environmental disasters such as the oil spill in the Gulf of Mexico, whether such events are caused by global climate changes or other factors.

Some potential losses are not insured.

We carry comprehensive liability, fire, flood, earthquake, terrorism, extended coverage and rental loss insurance on all of our properties. We believe the policy specifications and insured limits of these policies are adequate and appropriate. There are, however, some types of losses, including lease and other contract claims, which generally are not insured. If an uninsured loss or a loss in excess of insured limits occurs, we could lose all or a portion of the capital invested in a property, as well as the anticipated future revenue from the property. If this happens, we might nevertheless remain obligated for any mortgage debt or other financial obligations related to the property.

We may be subject to potential costs to comply with environmental laws.

Under various federal, state or local laws, ordinances and regulations, a current or previous owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances released at a property and may be held liable to a governmental entity or to third parties for property damage or personal injuries and for investigation and clean-up costs incurred by the parties in connection with the contamination. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of the hazardous or toxic substances. The presence of contamination or the failure to remediate contamination may adversely affect the owner's ability to sell or lease real estate or to borrow using the real estate as collateral. Other federal, state and local laws, ordinances and regulations require abatement or removal of asbestos-containing materials in the event of demolition or certain renovations or remodeling, the cost of which may be substantial for certain redevelopments, and also govern emissions of and exposure to asbestos fibers in the air. Federal and state laws also regulate the operation and removal of underground storage tanks. In connection with the ownership, operation and management of certain properties, we could be held liable for the costs of remedial action with respect to these regulated substances or tanks or related claims.

The properties at issue have been subjected to varying degrees of environmental assessment at various times. However, the identification of new areas of contamination, a change in the extent or known scope of contamination or changes in cleanup requirements could result in significant costs.

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

Should inflation increase in the future, we may experience any or all of the following:

- decreasing tenant sales as a result of decreased consumer spending which could result in lower rent paid by a tenant when its sales exceed an agreed upon minimum amount;
- difficulty replacing or renewing expiring leases with new leases at higher base and/or overage rent;
- an inability to receive reimbursement from tenants for their share of certain operating expenses, including common area maintenance, real estate taxes and insurance; and
- difficulty marketing and selling land for development of residential real estate properties.

Inflation also poses a potential risk due to the probability of future increases in interest rates. Such increases would adversely impact outstanding variable-rate debt as well as result in higher interest rates on new debt.

Indebtedness could have an adverse impact on our financial condition and operating flexibility.

As of June 30, 2010, our combined debt was $340.5 million and our share of our Real Estate Affiliates' debt was $196.2 million. Our indebtedness could have important consequences on the value of our common stock including:

- limiting our ability to borrow additional amounts for working capital, capital expenditures, debt service requirements, execution of business strategy or other purposes;
- limiting our ability to use operating cash flow in other areas of the business or to pay dividends;
- increasing our vulnerability to general adverse economic and industry conditions, including increases in interest rates, particularly given that certain indebtedness bears interest at variable rates;
- limiting our ability to capitalize on business opportunities, reinvest in and develop their properties, and to react to competitive pressures and adverse changes in government regulation;
- limiting our ability, or increasing the costs, to refinance indebtedness; and
- giving secured lenders the ability to foreclose on assets.

Risks Related to the Bankruptcy and Our Separation from GGP

Our actual financial results may vary significantly from the feasibility analysis filed with the Bankruptcy Court.

The Disclosure Statement, which the TopCo Debtors were required to prepare in connection with the Plan, contains projected financial information and estimates of value that demonstrate the feasibility of the Plan and our ability to continue operations upon their emergence from proceedings under the Bankruptcy Code. The information in the Disclosure Statement was prepared for the limited purpose of furnishing recipients of such Disclosure Statement with adequate information to make an informed judgment regarding acceptance of the Plan and was not prepared for the purpose of providing the basis for an investment decision relating to any of our securities. The projections and estimates of value, as well as the Disclosure Statement, are expressly excluded from this registration statement and should not be relied upon in any way or manner in connection with this offering and should not be regarded for the purpose of this registration statement as representations or warranties by us or any other person, as to the accuracy of such information or that any such projections or valuations will be realized. Those projections and estimates of value have not been, and will not be, updated on an ongoing basis, and they were not audited or reviewed by independent accountants. They reflect numerous assumptions concerning our anticipated future performance and with respect to prevailing and anticipated market and economic conditions that were, and remain, beyond our control. Projections and estimates of value are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic and competitive risks, and the assumptions underlying the projections and/or valuation estimates may be wrong in any material respect. Actual results may vary and may continue to vary significantly from those contemplated by the projections and/or valuation estimates. As a result, you should not rely on those projections and/or valuation estimates in deciding whether to invest in our common stock.

The conditions in the Investment Agreements may not be satisfied.

The funding obligations of the Plan Sponsors pursuant to the Investment Agreements are subject to the satisfaction of numerous conditions, many of which are beyond our control. There is no certainty that reorganized GGP will be able to satisfy any or all of the conditions to the Investors' funding obligations set forth in the Investment Agreements.

We may be required to issue a promissory note to GGP.

Pursuant to the Investment Agreements, under certain circumstances, we may be required to issue a five year, interest bearing, unsecured promissory note to GGP on the Effective Date. See "Management's Discussion and Analysis of Financial Condition and Results of Operation—Liquidity and Capital Resources—Spinco Note."

We may be required to pay substantial U.S. federal income taxes.

Pursuant to the Investment Agreements, reorganized GGP will indemnify us from and against 93.75% of any and all losses, claims, damages, liabilities and reasonable expenses to which we and our subsidiaries become subject, in each case solely to the extent attributable to certain taxes related to sales of certain assets in our Master Planned Communities segment prior to March 31, 2010, in an amount up to the Indemnity Cap (as subsequently defined). The Indemnity Cap is calculated as the lesser of $303,750,000 and the Excess Surplus Amount. The Excess Surplus Amount is determined using a complex formula described in the Investment Agreements. See "Management's Discussion and Analysis of Results of Operations and Financial Condition—Spinco Note and Indemnity—Tax Indemnities." We will be responsible for the remainder of any such taxes. Reorganized GGP may not have sufficient cash to reimburse us for its share of these taxes described above or the Excess Surplus Amount limitation may substantially reduce reorganized GGP's obligation to reimburse us for these taxes. We have ongoing audits related to the foregoing taxes that, whether resolved by litigation or otherwise, could impact the timing of the items subject to indemnification by reorganized GGP. In addition, if the IRS were successful in litigation with respect to such audits, we may be required to change our method of tax accounting for certain transactions, which could affect the timing of our tax payments, increasing our tax payments in the short term relative to our current tax cost projections.

If the Distribution does not qualify as a tax-free distribution under Section 355 of the Code, then GGP and its subsidiaries may be required to pay substantial U.S. federal income taxes, and we may be obligated to indemnify GGP and its subsidiaries for such taxes imposed on GGP and its subsidiaries.

GGP's obligation to close the Investment Agreements is conditioned upon GGP's receipt of a private letter ruling from the IRS to the effect that the Distribution and certain related transactions will qualify as tax-free to GGP and its subsidiaries for U.S. federal income tax purposes. A private letter ruling from the IRS generally is binding on the IRS. A favorable IRS ruling has not yet been received by GGP. Such IRS ruling will not establish that the Distribution satisfies every requirement for a tax-free spinoff, and the parties will rely solely on the advice of counsel for comfort that such additional requirements are satisfied.

Even if obtained, the IRS ruling will be based on, among other things, certain representations and assumptions as to factual matters made by GGP. The failure of any factual representation or assumption to be true, correct and complete in all material respects could adversely affect the validity of the IRS ruling at the time of and subsequent to the Distribution. In addition, the IRS ruling will be based on current law and cannot be relied upon if current law changes with retroactive effect. If the Distribution were to be treated as taxable, GGP and holders of GGP common stock may be faced with significant tax liability with respect to the Distribution.

GGP will enter into a Tax Matters Agreement with us, pursuant to which GGP may be held liable for the cost of the failure of the Distribution to qualify as a tax-free distribution if GGP caused such failure, whether by an action taken before or after the Separation and Distribution. If we caused such failure, whether by an action taken before or after the Separation and Distribution, we could be liable for such costs. If the cause for the failure cannot be determined or was not caused by a single party, then we and GGP will share such liability based on relative market capitalization. Moreover, although we have agreed to share certain tax liabilities with GGP pursuant to the aforementioned agreements, we may be liable at law to a taxing authority for some of these tax liabilities and, if GGP were to default on their obligations to us, we would be responsible for the entire amount of these liabilities.

We will indemnify GGP for certain taxes.

We will enter into a Separation Agreement and Tax Matters Agreement which will include tax-sharing and indemnification provisions with GGP through which tax liabilities relating to taxable periods before and after the Distribution will be computed and apportioned between GGP and ourselves, and responsibility for payment of those tax liabilities (including any subsequent adjustments to such tax liabilities) will be allocated between us. In addition, we generally will be responsible for any liabilities, taxes or other charges that are imposed on GGP as a result of the Separation and Distribution (and certain related restructuring transactions) failing to qualify for nonrecognition treatment for U.S. federal (and state and local) income tax purposes, if we are the party responsible for such failure, whether by an action taken before or after the Separation and Distribution. Moreover, although we have agreed to share certain tax liabilities with GGP pursuant to the aforementioned agreements, we may be liable at law to a taxing authority for some of these tax liabilities and, if GGP were to default on their obligations to us, we would be liable for the entire amount of these liabilities. Accordingly, under certain circumstances, we may be obligated to pay amounts in excess of our allocated share of tax liabilities.

There is a risk of investor influence over our company that may be adverse to our best interests and those of our other shareholders.

Brookfield Investor and Pershing Square will have the ability to nominate a certain number of members of our board of directors. See "Certain Relationships and Related Transactions, and Director Independence." After giving effect to the Blackstone Designation, we expect that Brookfield Investor, Fairholme and Pershing Square will beneficially own 6.4%, 3.2% and 9.5%, respectively, of our common stock on the Effective Date (excluding shares issuable upon exercise of the warrants) or 13.7%, 6.8% and 12.0%, respectively, of our common stock on the Effective Date (including shares issuable upon exercise of the warrants).

Although Pershing Square is required to enter into a non-control agreement to limit its influence, the concentration of ownership of our outstanding common stock held by Plan Sponsors may make some transactions more difficult or impossible without the support of the Plan Sponsors or more likely with the support of the Plan Sponsors. The interests of any of the Plan Sponsors, any other substantial stockholder or any of their respective affiliates could conflict with or differ from the interests of our other shareholders or the other Plan Sponsors. For example, the concentration of ownership held by the Plan Sponsors, even if the Plan Sponsors are not acting in a coordinated manner, could allow the Plan Sponsors to influence our policies and strategy and could delay, defer or prevent a change of control or impede a merger, takeover or other business combination that may otherwise be favorable to us and our other stockholders. A Plan Sponsor, substantial stockholder or affiliate thereof may also pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us. There is no assurance that the Pershing Square non-control agreement can fully protect against these risks.

Risks Related to Our Common Stock

There is no existing market for our common stock and a trading market that will provide you with adequate liquidity may not develop for our common stock. In addition, once our common stock begins trading, the market price of our shares may fluctuate widely.

There is currently no public market for our common stock. There can be no assurance that an active trading market for our common stock will develop as a result of the Distribution or be sustained in the future. We cannot predict the prices at which our common stock may trade after the Distribution. The market price of our common stock may fluctuate widely, depending upon many factors, some of which may be beyond our control, including:

- a shift in our investor base, including a shift from REIT to non-REIT investors following the Distribution;
- our quarterly or annual earnings, or those of other comparable companies;
- actual or anticipated fluctuations in our operating results and other factors related to our business;
- announcements by us or our competitors of significant acquisitions or dispositions;
- the failure of securities analysts to cover our common stock after the Distribution;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of other comparable companies;
- our ability to implement our business strategy;
- our tax payments;
- our ability to raise capital;
- overall market fluctuations; and
- general economic conditions.

Further, after giving effect to the Blackstone Designation, we expect that Brookfield Investor, Fairholme and Pershing Square will beneficially own 6.4%, 3.2% and 9.5%, respectively, of our common stock on the Effective Date (excluding shares issuable upon exercise of the warrants) or 13.7%, 6.8% and 12.0%, respectively, of our common stock on the Effective Date (including shares issuable upon exercise of the warrants). The principal holders of our common stock may hold their investments for an extended period of time, thereby decreasing the number of shares available in the market and creating artificially low demand for, and prices of our common stock.

Liquidity and volatility of trading market and value of our common stock.

There is no certainty that a liquid trading market will develop for our common stock or that, if developed, such a liquid trading market will be maintained. Lack of liquidity with respect to such securities also may make it more difficult to raise additional capital, if necessary, through equity financings.

Furthermore, no assurance can be made that holders of our common stock will be able to sell such securities at a particular time or that the prices received when such securities are sold will be favorable. It is possible that holders of such securities may lose all or part of their investments. It expected that the market price of our common stock will fluctuate significantly. Such fluctuation may occur as a result of a variety of factors, many of which are beyond our control.

In addition, the stock market in general has recently experienced extreme volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the market price of our common stock.

In general, the valuation of newly issued securities is subject to uncertainties and contingencies, all of which are difficult to predict. Actual market prices of such securities at issuance will depend upon, among other things, prevailing interest rates, conditions in the financial markets, the anticipated initial securities holdings of prepetition creditors, some of which may prefer to liquidate their investments rather than hold them on a long-term basis, and other factors which generally influence the prices of securities.

Provisions in our certificate of incorporation, our by-laws, Delaware law and certain of the agreements we will enter into as part of the Distribution may prevent or delay an acquisition of us, which could decrease the trading price of our common stock.

We expect to amend and restate our certificate of incorporation prior to the consummation of the Plan and expect that our amended and restated certificate of incorporation and bylaws will contain the following limitations:

- the inability of our stockholders to act by written consent;
- restrictions on the ability of stockholders to call a special meeting without 15% or more of the voting power of the issued and outstanding shares entitled to vote generally in the election of our directors;
- rules regarding how stockholders may present proposals or nominate directors for election at stockholder meetings; and
- the right of our board of directors to issue preferred stock without stockholder approval.

We are a Delaware corporation, and Section 203 of the Delaware General Corporation Law (the "DGCL") applies to us. In general, Section 203 prevents an "interested stockholder" from engaging in a "business combination" with us for three years following the date that person becomes an interested stockholder unless one or more of the following occurs:

- before that person became an interested stockholder, our board of directors approved the transaction in which the interested stockholder became an interested stockholder or approved the business combination;
- upon completion of the transaction that resulted in the interested stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of your voting stock outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) stock held by directors who are also officers of the company and by employee stock plans that do not provide employees with the right to determine confidentially whether shares held under the plan will be tendered in a tender or exchange offer; and
- following the transaction in which that person became an interested stockholder, the business combination is approved by our board of directors and authorized at a meeting of stockholders by the affirmative vote of the holders of at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

The statute defines "interested stockholder" as any person that is the owner of 15% or more of the outstanding voting stock or is our affiliate or associate and was the owner of 15% or more of outstanding voting stock at any time within the three-year period immediately before the date of determination.

Each item discussed above may delay, deter or prevent a change in control, even if a proposed transaction is at a premium over the then current market price for our common stock. Further, these provisions may apply in instances where some stockholders consider a transaction beneficial to them. As a result, our stock price may be negatively affected by these provisions.

Additionally, our certificate of incorporation will impose certain restrictions on the direct or indirect transferability of our securities to assist in the preservation of our valuable tax attributes (generally consisting of (1) approximately $400 million of suspended federal income tax deductions and

(2) a relatively high federal income tax basis in our assets), including, subject to certain exceptions, that until the earlier of such time as our board of directors determines that it is no longer in our best interests to continue to impose such restrictions or the date three years after the Effective Date (i) no person or entity may acquire or accumulate the Threshold Percentage or more (as determined under tax law principles governing the application of section 382 of the Code) of our securities, and (ii) no person owning directly or indirectly (as determined under such tax law principles) on the Effective Date, after giving effect to the Plan, the Threshold Percentage or more of our securities may acquire additional securities of ours. Notwithstanding the contemplated restrictions in our certificate of incorporation, no assurance can be given regarding our ability to preserve our tax attributes. Threshold Percentage means, in the case of (i) our common stock, 4.99% of the number of outstanding shares of our common stock and (ii) any other class of our equity, 4.99% of each such class.

Additional issuances and sales of our capital stock or securities convertible into or exchangeable for our capital stock, or the perception that such issuances and sales could occur, may cause prevailing market prices for our common stock to decline and may adversely affect our ability to raise additional capital in the financial markets at a favorable time and price.

Brookfield Investor is subject to lock restrictions on its ability to sell our common stock and its warrants to acquire our common stock. See "Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters—Lockup Restrictions." After these lockups expire, shares held by such persons and parties may be sold in the public markets. The price of our common stock may drop significantly when such lockup agreements expire. In addition, for so long as a Plan Sponsor beneficially owns at least 5% of our outstanding common stock on a fully diluted basis, such Plan Sponsor will have the right to purchase the number of our shares as necessary to allow the Plan Sponsor to maintain its proportionate ownership interests on a fully diluted basis.

In most circumstances, shareholders will not be entitled to vote on whether or not additional capital stock is issued. In addition, depending on the terms and pricing of an additional offering of common stock and the value of our properties, shareholders may experience dilution in both the book value and the market value of their shares.

ITEM 2. FINANCIAL INFORMATION

Selected Historical Combined Financial Data

The following table sets forth the selected historical combined financial and other data of our business, which was carved-out from the financial information of GGP, as described below. We were formed for the purpose of holding certain assets and assuming certain liabilities of the Predecessors pursuant to the Plan. We have not conducted any business and will not have any material assets or liabilities until the Separation and the Distribution are completed. See "Business." The selected historical financial data set forth below as of December 31, 2009 and 2008 and for the years ended December 31, 2009, 2008 and 2007 has been derived from our audited combined financial statements, which are included elsewhere in this registration statement. The selected historical combined financial data as of December 31, 2007, 2006 and 2005 and for the years ended December 31, 2006 and 2005 has been derived from our unaudited combined financial statements, which are not included in this registration statement. The income statement data for each of the six months ended June, 2010 and 2009 and the balance sheet data as of June 30, 2010 have been derived from our unaudited interim combined financial statements included elsewhere in this registration statement.

Our unaudited interim combined financial statements as of June 30, 2010 and for the six months ended June 30, 2010 were prepared on the same basis as our audited combined financial statements as of December 31, 2009 and 2008 and for each of the three years in the period ended December 31, 2009 and, in the opinion of management, include all adjustments, consisting only of normal, recurring adjustments, necessary to present fairly our financial position and results of operations for these periods. The interim results of operations are not necessarily indicative of operations for a full fiscal year.

Our combined financial statements were carved-out from the financial information of GGP at a carrying value reflective of such historical cost in such GGP records. Our historical financial results reflect allocations for certain corporate expenses which include, but are not limited to, costs related to property management, human resources, security, payroll and benefits, legal, corporate communications, information services and restructuring and reorganization. Costs of the services that were allocated or charged to us were based on either actual costs incurred or a proportion of costs estimated to be applicable to us based on a number of factors, most significantly our percentage of GGP's adjusted revenue and assets and the number of properties. We believe these allocations are reasonable; however, these results do not reflect what our expenses would have been had we been operating as a separate stand-alone public company. The years ended December 31, 2009, 2008, 2007, 2006 and 2005 include corporate cost allocations of $28.6 million, $20.4 million, $24.5 million, $16.5 million and $12.1 million, respectively. The six months ended June 30, 2010 and 2009 include corporate cost allocations of $33.8 million and $15.0 million, respectively. The historical combined financial information presented will not be indicative of the results of operations, financial position or cash flows that would have been obtained if we had been an independent, stand-alone entity during the periods shown. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Basis of Presentation."

The historical results set forth below do not indicate results expected for any future periods. The selected financial data set forth below are qualified in their entirety by, and should be read in conjunction with, "Management's Discussion and Analysis of Financial Condition and Results of

Operations" and our financial statements and related notes thereto included elsewhere in this registration statement.

	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009	Year Ended December 31, 2009	2008	2007	2006	2005
	(In thousands)						
Operating Data:							
Revenues	$ 59,419	$ 75,120	$ 136,348	$ 172,507	$ 260,498	$ 548,714	$ 505,471
Depreciation and amortization	(8,425)	(10,787)	(19,841)	(18,421)	(22,995)	(21,362)	(24,547)
Provisions for impairment	(486)	(140,180)	(680,349)	(52,511)	(125,879)	(90)	(443)
Other operating expenses	(58,463)	(72,201)	(128,833)	(141,392)	(196,121)	(408,084)	(396,073)
Interest (expense) income, net	(1,148)	(250)	712	1,105	1,504	1,737	(557)
Reorganization items	(26,614)	(2,017)	(6,674)	—	—	—	—
Benefit from (provision for) income taxes	(17,953)	2,913	23,969	(2,703)	10,643	(83,782)	(48,831)
Equity in income (loss) of Real Estate Affiliates	5,172	4,121	(28,209)	23,506	68,451	28,051	13,181
Income (loss) from continuing operations	(48,498)	(143,281)	(702,877)	(17,909)	(3,899)	65,184	48,201
Discontinued operations—loss on dispositions	—	—	(939)	—	—	—	—
Allocation to noncontrolling interests	(73)	(65)	204	(100)	(101)	(2,265)	156
Net income (loss) attributable to GGP	$ (48,571)	$ (143,346)	$ (703,612)	$ (18,009)	$ (4,000)	$ 62,919	$ 48,357
Cash Flow Data:							
Operating activities	$ (51,162)	$ (9,166)	$ (17,870)	$ (50,699)	$ (52,041)	$ 190,036	$ 271,959
Investing activities	(37,118)	(13,441)	(21,432)	(300,201)	(146,208)	(163,903)	(315,766)
Financing Activities	88,058	32,434	37,543	348,424	183,073	(13,538)	51,297

	As of June 30, 2010	As of December 31, 2009	2008	2007	2006	2005
	(In thousands)					
Balance Sheet Data:						
Investment in real estate assets—cost	$ 2,836,316	$ 2,827,814	$ 3,376,321	$ 2,935,919	$ 2,761,275	$ 2,610,482
Total assets	2,906,150	2,905,227	3,443,956	3,024,827	2,882,493	2,760,903
Total debt	340,495	342,833	358,467	373,036	417,011	413,048
Total equity	1,520,638	1,503,520	1,985,815	1,610,672	1,365,238	1,281,628

Unaudited Pro Forma Condensed Combined Financial Information

The following unaudited pro forma condensed combined financial information has been developed by applying pro forma adjustments to the historical combined financial information which reflect the Separation of Spinco from the Predecessors that appears elsewhere in this registration statement. The unaudited pro forma condensed combined balance sheet gives effect to the transactions described below as if they had occurred on June 30, 2010. The unaudited pro forma condensed statements of operations gives effect to the transactions described below as if they had occurred on January 1, 2009. All significant pro forma adjustments and their underlying assumptions are described more fully in the notes to the unaudited pro forma combined financial information which should be read in conjunction with such pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information gives effect to the following:

- the distribution of Spinco common stock to the existing GGP stockholders and GGPLP unit holders pursuant to the Plan;
- the consummation of investments by the Plan Sponsors contemplated by the Investment Agreements;
- fees pursuant to the Management Agreement; and
- other known impacts of the Plan including elimination of intercompany payables and the tax indemnity.

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and is not necessarily indicative of the results of operations or financial position that would have actually been reported had the transactions reflected in the pro forma adjustments occurred on January 1, 2009 or as of June 30, 2010, as applicable, nor is it indicative of our future results of operations or financial position.

The accounting by Spinco to reflect the emergence from bankruptcy of the Emerged Debtors (as defined in Note 1 of our combined financial statements) is limited to recording the liabilities of such Debtors that are impacted by confirmed plans of reorganization at the estimated present values of the amounts expected to be paid upon emergence from bankruptcy since the provisions of the Plan do not meet the criteria for fresh-start reporting (ASC 852-10-45-29). Historical amounts reported in the unaudited pro forma financial statements reflect these fair value adjustments in mortgages, notes and loans payable not subject to compromise, along with associated amortization. However, as certain of the Spinco Debtors remain in bankruptcy at June 30, 2010, their liabilities remain subject to compromise and, therefore, the Spinco historical financial statements have no such present value adjustment or associated amortization. Fresh-start reporting does not apply to Spinco because existing holders of GGP common stock will receive greater than 50% (approximately 79.7%) of the voting shares of Spinco and the reorganization value of Spinco's assets exceeds the total of all post-petition liabilities and allowed claims. Further, the acquisition method of accounting does not apply to Spinco at emergence because the criteria for application of the acquisition method of accounting specifically to a transaction or event yielding a change of control, that is, a business combination, has not occurred, since the provisions of the Plan provide that the Distribution occurs such that all members with each class of equity are treated equally, the Distribution is treated as a spin-off under ASC 505-60 and, pursuant to ASC 845-10-30-10, such non-monetary transaction is accounted for at the recorded or historical carrying values.

The unaudited pro forma condensed combined statements of operations also assume that the Distribution qualifies as a tax-free distribution under Section 355 of the Code; and therefore no provision for income tax associated with the Distribution has been provided for the periods presented. See "Risk Factors—If the Distribution does not qualify as a tax-free distribution under Section 355 of the Code, then GGP and its subsidiaries may be required to pay substantial U.S. federal income taxes, and we may be obligated to indemnify GGP and its subsidiaries for such taxes imposed on GGP and its subsidiaries." In addition, the pro forma condensed combined statements do not include adjustments for the possible issuance of a Spinco Note as we do not currently believe such note will be issued. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Spinco Note."

The unaudited pro forma condensed combined financial information should be read in conjunction with the information contained in "Selected Historical Combined Financial Data" and the combined financial statements and related notes thereto appearing elsewhere in this registration statement.

SPINCO, INC.
Unaudited Pro Forma Condensed Combined Balance Sheet
as of June 30, 2010

	Historical	Adjustments	Footnote	Pro forma
		(In thousands)		
Assets:				
Investment in real estate:				
Land	$ 194,379	$ —		$ 194,379
Buildings and equipment	450,719	—		450,719
Less accumulated depreciation	(91,553)	—		(91,553)
Developments in progress	256,289	—		256,289
Net property and equipment	809,834	—		809,834
Investment in and loans to/from Real Estate Affiliates	145,738	—		145,738
Investment property and property held for development and sale	1,789,191	(15,000)	(2)	1,774,191
Net investment in real estate	2,744,763	(15,000)		2,729,763
Cash and cash equivalents	2,982	247,020	(3) (4)	250,002
Accounts and notes receivable, net	11,152	31,551	(5)	42,703
Deferred expenses, net	6,996	—		6,996
Prepaid expenses and other assets	140,257	123,136	(6)	263,393
Total assets	$ 2,906,150	$ 386,707		$ 3,292,857
Liabilities and Equity:				
Liabilities not subject to compromise:				
Mortgages, notes and loans payable	$ 207,646	$ 132,849	(7)	$ 340,495
Deferred tax liabilities	726,916	(546,809)	(8)	180,107
Accounts payable and accrued expenses	217,327	69,062	(7) (9)	286,389
Liabilities not subject to compromise	1,151,889	(344,898)		806,991
Liabilities subject to compromise	233,623	(233,623)	(7)	—
Total liabilities	1,385,512	(578,521)		806,991
Equity:				
GGP Equity	1,521,448	965,228	(2) (3) (4) (5) (6) (8) (9)	2,486,676
Accumulated other comprehensive loss	(1,645)	—		(1,645)
Noncontrolling interests	835	—		835
Total equity	1,520,638	965,228		2,485,866
Total liabilities and equity	$ 2,906,150	$ 386,707		$ 3,292,857

SPINCO, INC.
Unaudited Pro Forma Condensed Combined Statement of Operations
for the Year Ended December 31, 2009

	Historical	Adjustments	Footnote	Pro forma
		(In thousands)		
Revenues:				
Minimum rents	$ 65,653	$ (2,629)	(10)	$ 63,024
Tenant recoveries	19,642	—		19,642
Overage rents	2,701	—		2,701
Land sales	45,996	—		45,996
Other	2,356	—		2,356
Total revenues	136,348	(2,629)		133,719
Expenses:				
Real estate taxes	13,813	—		13,813
Property maintenance costs	5,586	—		5,586
Marketing	1,071	—		1,071
Other property operating costs	33,739	—		33,739
Land sales operations	49,062	—		49,062
Provision for doubtful accounts	2,539	—		2,539
Property management and other costs	17,643	23,773	(10) (11)	41,416
General and administrative	5,380	6,000	(12)	11,380
Provisions for impairment	680,349	—		680,349
Depreciation and amortization	19,841	—		19,841
Total expenses	829,023	29,773		858,796
Operating loss	(692,675)	(32,402)		(725,077)
Interest income	1,689	—		1,689
Interest expense	(977)	—	(17)	(977)
Loss before income taxes, noncontrolling interests, equity in income of Real Estate Affiliates and reorganization items	(691,963)	(32,402)		(724,365)
Benefit from income taxes	23,969	268,162	(14) (15)	292,131
Equity in loss of Real Estate Affiliates	(28,209)	—		(28,209)
Reorganization items	(6,674)	6,674	(13)	—
Loss from continuing operations	$ (702,877)	$ 242,434		$ (460,443)
Weighted average number of common shares - basic and diluted				37,154
Basic and diluted (loss) per share			(1) (16)	$ (12.39)

SPINCO, INC.
Unaudited Pro Forma Condensed Combined Statement of Operations
for the Six Months Ended June 30, 2010

	Historical	Adjustments	Footnote	Pro forma
		(In thousands)		
Revenues:				
Minimum rents	$ 34,000	$ (1,151)	(10)	$ 32,849
Tenant recoveries	9,252	—		9,252
Overage rents	912	—		912
Land sales	12,107	—		12,107
Other	3,148	—		3,148
Total revenues	59,419	(1,151)		58,268
Expenses:				
Real estate taxes	7,029	—		7,029
Property maintenance costs	3,283	—		3,283
Marketing	507	—		507
Other property operating costs	17,694	—		17,694
Land sales operations	20,597	—		20,597
Provision for doubtful accounts	357	—		357
Property management and other costs	8,996	13,843	(10) (11)	22,839
General and administrative	—	3,000	(12)	3,000
Provisions for impairment	486	—		486
Depreciation and amortization	8,425	—		8,425
Total expenses	67,374	16,843		84,217
Operating loss	(7,955)	(17,994)		(25,949)
Interest income	59	—		59
Interest expense	(1,207)	—	(17)	(1,207)
Loss before income taxes, noncontrolling interests, equity in income of Real Estate Affiliates and reorganization items	(9,103)	(17,994)		(27,097)
Provision for income taxes	(17,953)	11,963	(14) (15)	(5,990)
Equity in income of Real Estate Affiliates	5,172	—		5,172
Reorganization items	(26,614)	26,614	(13)	—
Loss from continuing operations	$ (48,498)	$ 20,583		$ (27,915)
Weighted average number of common shares - basic and diluted				37,604
Basic and diluted (loss) per share			(1) (16)	$ (0.74)

Notes to Pro Forma Condensed Combined Financial Information

(1) Reflects the distribution of approximately 32,500,000 shares of our common stock to existing stockholders of GGP and GGPLP unit holders pursuant to the Plan. The Distribution will be accounted for by allocating the historical amount of GGP Equity in our business into our common stock at par value of $0.01 per share and the balance to additional paid-in capital.

(2) Reflects an agreement reached with Hughes heirs regarding the Hughes heirs obligations which reduced the carrying value of this property by $15.0 million from the amounts previously recorded by GGP.

(3) Reflects the initial $250 million investment by the Plan Sponsors and Blackstone pursuant to the Investment Agreements and the Blackstone Designation (approximately 5,250,000 shares of our common stock).

(4) Reflects the withdrawal by GGP of all permitted cash or cash equivalent balances from the Spinco Accounts totaling $2.98 million in accordance with the Separation Agreement.

(5) Reflects the right to receive payments approximating the capital lease revenue that GGP receives from the Arizona 2 Office in Phoenix, Arizona in accordance with the Plan.

(6) Reflects establishment of the Tax Indemnity Cap based upon our current estimates of the components of the Indemnity Cap in the Investment Agreements. See "Risk Factors—We may be required to pay substantial U.S. federal income taxes" and "Management Discussion and Analysis—Tax Indemnities" for a defnition of the Tax Indemnity Cap.

(7) Reflects the reclassification of $132.8 million of mortgages, notes and loans payable and $100.8 million of accounts payable and accrued expenses subject to compromise to the appropriate categories of liabilities not subject to compromise, in accordance with the Plan. Liabilities subject to compromise includes all liabilities incurred prior to the Petition Date except:

- liabilities of the Spinco non-debtors;
- pre-petition liabilities that the debtors which have emerged from Bankruptcy at June 30, 2010 expect to pay in full, even though certain of these amounts may not be paid until after the applicable Emerged Debtor's plan of reorganization is effective; and
- liabilities related to pre-petition contracts that affirmatively have not been rejected.

(8) Reflects an adjustment of $546.8 million for the re-measurement of the deferred tax liability utilizing the pro forma carrying amounts of Spinco assets and liabilities, and the current taxable and non-taxable entities to be held by the new entity. Given the makeup of our assets, particularly the undeveloped land in our Master Planned Communities segment, we will not elect to be treated as a real estate investment trust, or REIT, for U.S. federal income tax purposes; however, one of our subsidiaries, Victoria Ward, Limited, is and will continue to be treated as a REIT.

(9) Reflects the settlement of $31.7 million of intercompany payables in accordance with the Separation Agreement.

(10) Reflects amended lease agreements related to our use of office space in GGP properties and GGP use of office space in our properties.

(11) Reflects the removal of historical allocations of corporate overhead of $9.9 million for the year ended December 31, 2009 and $5.7 million for the six months ended June 30, 2010 and an add-back for corporate overhead estimates pursuant to the Transition Services Agreement of $32.9 million for the year ended December 31, 2009 and $19.2 million for the six months ended June 30, 2010.

(12) Reflects fees pursuant to a management services agreement between us and Brookfield Advisors LP. Services to be provided pursuant to the agreement include strategic advice, project development oversight, financial planning, financing consultation, internal controls expertise, and community and investor relations. The agreement has an initial term of six months and may be extended up to an additional six months at Spinco's option. The pro forma statement of operations for the year ended December 31, 2009 assumes a six month extension on the same terms as the

initial agreement. Contract fees include a base management fee of $0.5 million per month plus reasonable costs and expenses.

(13) Reflects reorganization costs incurred as a result of the Chapter 11 Cases and includes professional fees and similar expenses related to the bankruptcy filings and reorganization process. The pro forma statements of operations assume that such costs will not be incurred after the Effective Date.

(14) Reflects the tax effect applicable to all pro forma adjustments on the Combined Statements of Operations of $12.7 million benefit for the year ended December 31, 2009 and $7.0 million benefit for the six months ended June 30, 2010, at our incremental tax rate of 39.09%.

(15) Reflects a benefit from income taxes of $255.5 million for the year ended December 31, 2009 and $4.9 million for the six months ended June 30, 2010 for the re-measurement of the deferred tax liability utilizing the pro forma carrying amounts of Spinco assets and liabilities, and the current taxable and non-taxable entities to be held by Spinco.

(16) Reflects the historical number of GGP weighted average basic and diluted shares outstanding of 311,993,000 and 311,993,000 for the twelve months ended December 31, 2009 and 316,572,000 and 316,572,000 for the six months ended June 30, 2010, respectively, adjusted by the Spinco share exchange factor of 0.0983 of a share of Spinco stock for each share of GGP common stock as provided for in the Plan; plus a 1,235,000 share distribution to existing GGPLP unit holders; plus the approximate 5,250,000 shares to be issued to Plan Sponsors and Blackstone pursuant to the Investment Agreements and Blackstone Designation. The permanent warrants issued to the Plan Sponsors and Blackstone and the options for Spinco common stock that are issued in exchange for GGP options are anti-dilutive and not used in the calculation of earnings per share due to losses in all respective periods.

(17) The pro forma condensed combined statements do not include adjustments for the possible issuance of a Spinco Note because we do not currently believe such note will be issued. This belief is based on a number of assumptions, including our ability to reinstate certain indebtedness pursuant to the Plan and our current estimates concerning the amounts that we ultimately will be required to pay in respect of claims by various classes of creditors under the Plan. Based on currently available information, GGP estimates that the amounts that we actually pay with respect to such claims could exceed our estimates by up to approximately $77.0 million in the aggregate before we would have to issue a Spinco Note. However, default interest and potential makewhole obligations on certain GGP indebtedness are in dispute, and therefore, we have not included these amounts in our calculation of the Spinco Note. Accordingly, despite this substantial "cushion," we cannot assure you that the amounts we ultimately pay with respect to such claims, or the other factors that go into the determination of the Spinco Note, will not differ from our estimates to such a degree that we will be required to issue a Spinco Note. In the event that we are required to issue a Spinco Note, for every $1.0 million aggregate principal amount of such note, our pro forma indebtedness would increase by $1.0 million and our pro forma interest expense would increase by $75,000 and $37,500 for the year ended December 31, 2009 and the six months ended June 30, 2010, respectively (assuming no New Debt is issued).

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

This section contains forward-looking statements that involve risks and uncertainties. Our actual results may vary materially from those discussed in the forward-looking statements as a result of various factors, including, without limitation, those set forth in "Risk Factors" and the matters set forth in this registration statement. See "Cautionary Statement Regarding Forward-Looking Statements."

All references to numbered Notes are to specific footnotes to our combined financial statements for the six months ended June 30, 2010 and 2009 and the years ended December 31, 2007, 2008 and 2009, as applicable, included in this registration statement. You should read this discussion in conjunction with our combined financial statements, the notes thereto and other financial information included elsewhere in this registration statement. Our financial statements are prepared in accordance with GAAP. Capitalized terms used, but not defined, in this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") have the same meanings as in such Notes.

Overview—Basis of Presentation

We were formed in July 2010 for the purpose of holding certain assets and assuming certain liabilities of the Predecessors pursuant to the Plan as discussed in Note 1. Following the Distribution, we will operate our business as a stand-alone real estate development company. The financial information included in this registration statement was carved-out from the financial information of GGP, has been presented on a combined basis as the entities presented are under common control and ownership, and only property management and other costs and property specific overhead items have been allocated or reflected in the accompanying combined financial statements.

The historical combined financial information included in this registration statement does not necessarily reflect the financial condition, results of operations or cash flows that we would have achieved as a separate, publicly-traded company during the periods presented or those that we will achieve in the future primarily as a result of the following factors:

- Prior to the Separation, our business was operated by GGP as part of its broader corporate organization, rather than as a separate, publicly-traded company. GGP or one of its affiliates performed various corporate functions for us, including, but not limited to property management, human resources, security, payroll and benefits, legal, corporate communications, information services and restructuring and reorganization. Costs of the services that were allocated or charged to us were based on either actual costs incurred or a proportion of costs estimated to be applicable to us based on a number of factors, most significantly our percentage of GGP's adjusted revenue and assets and the number of properties. Our historical financial results reflect allocations for certain corporate costs and we believe such allocations are reasonable; however, such results do not reflect what our expenses would have been had we been operating as a separate, stand-alone public company.

- Currently, portions of our business are integrated with the other businesses of GGP. Historically, we have shared economies of scope and scale in costs, employees, vendor relationships and certain customer relationships. While we expect to enter into a Transition Services Agreement that will govern certain commercial and other relationships between us and GGP, those contractual arrangements may not capture the benefits our business has enjoyed as a result of being integrated with GGP. The loss of these benefits of scope and scale may have an adverse effect on our business, results of operations and financial condition following the completion of the Separation.

In addition, GGP operates as a REIT in which our businesses, except for the Master Planned Communities segment, are generally exempt from tax. We intend to operate as a taxable corporation subsequent to the Effective Date; however, one of our subsidiaries, Victoria Ward, Limited, is and will continue to be treated as a REIT.

We operate our business in two segments: Master Planned Communities and Strategic Development.

Overview—Master Planned Communities Segment

Our Master Planned Communities segment consists of the development and sale of residential and commercial land, primarily in large-scale projects in and around Columbia, Maryland; Houston, Texas; and Summerlin, Nevada. Residential land sales include standard, custom and high density (*i.e.*, condominium, town homes and apartments) parcels. Standard residential lots are designated for detached and attached single- and multi-family homes, ranging from entry-level to luxury homes. At our Summerlin project, we have further designated certain residential parcels as custom lots as their premium price reflects their larger size and other distinguishing features including gated communities, golf course access and higher elevations. Commercial land sales include parcels designated for retail, office, services and other for-profit activities, as well as those parcels designated for use by government, schools and other not-for-profit entities. As of June 30, 2010, we had 12,623 remaining saleable acres in our communities presented in this registration statement on a combined basis and 2,081 remaining saleable acres at our Woodlands community (presented in this registration statement on the equity method of accounting).

The pace of land sales for standard residential lots has declined in recent periods in correlation to the decline in the housing market.

Based on the results of our evaluations for impairment (Note 1 and 2), we recognized aggregate impairment charges related to our Master Planned Communities segment of $52.8 million in 2009 and $125.8 million in 2007.

Overview—Strategic Development Segment

Our Strategic Development segment is made up of a diverse mix of near, medium and long-term real estate properties and development projects, some of which we believe have the potential to create meaningful value. Our Strategic Development segment includes eleven mixed-use development opportunities, four mall development projects, seven redevelopment projects and nine other property interests, including ownership of various land parcels and certain profit interests.

Although revenues are currently being generated at seven of the nine mixed-use development opportunity properties and all seven of the redevelopment projects, only the Ward Centers mixed-use development opportunity property is considered to be significant based on several key operating metrics. We expect this relative significance to continue until the Ward Centers mixed-use development commences. Our operating properties, which we refer to as our "Operating Retail Properties," consist of Landmark Mall, South Street Seaport, Ward Centers, Allen, Cottonwood Mall, Kendall, West Windsor, Alameda Plaza, Century Plaza Mall, Cottonwood Square, Park West, Rio West, Riverwalk Marketplace and Village at Redlands. At December 31, 2009, we had approximately 2.5 million square feet of regional mall space currently available for lease, of which 86.2% was occupied.

Based on impairment evaluations of the properties in our Strategic Development segment (as described in Note 1 and 2) we recorded impairment provisions of $0.5 million for the six months ended June 30, 2010, $627.6 million, $52.5 million and $0.1 million for 2009, 2008 and 2007 respectively, and $29.6 million in our equity in operations of Real Estate Affiliates in 2009.

Results of Operations

Our revenues are primarily received from homebuilders from the sale of individual lots at our master planned communities and from tenants at our rental properties in the form of fixed minimum rents, overage rent and recoveries of operating expenses. We have presented the following discussion of our results of operations on a segment basis under the proportionate share method. Under the proportionate share method, our share of segment revenues and expenses of the properties owned by our real estate affiliates are aggregated with the revenues and expenses of the combined properties. Other revenues are increased by discontinued operations and are reduced by the share of operations applicable to noncontrolling interests. See Note 10 or Note 14, as applicable, for additional information including reconciliations of our segment basis results to GAAP basis results.

The operating measure used to assess operating results for our business segments is Adjusted EBITDA, which we define and compute as property specific rent, sales and other revenues, less property specific operational expense items such as land sale cost of sales and selling expenses, real estate taxes, property maintenance costs and other property operating expense items. Adjusted EBITDA excludes interest, income taxes, depreciation and amortization, as well as reorganization items, strategic initiatives, provisions for impairment and allocation to noncontrolling interests, in each case to the extent applicable to a segment. Management believes that as so calculated, Adjusted EBITDA assists us in comparing the performance of our segments and properties across reporting periods on a consistent basis because it excludes items that we do not believe are indicators of our core operating performance. We believe that Adjusted EBITDA provides useful information about the operating performance of our communities and properties.

The Spinco businesses were operated as subsidiaries of GGP, which operates as a real estate investment trust ("REIT"). We are expected to operate as a taxable corporation.

Six Months Ended June 30, 2010 and 2009

Master Planned Communities Segment

(In thousands)	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009	$ Increase (Decrease)	% Increase (Decrease)
Land sales	$ 38,079	$ 49,954	$ (11,875)	(23.8)%
Land sales operations*	(39,338)	(46,927)	(7,589)	(16.2)
Master Planned Communities Segment Adjusted EBITDA	$ (1,259)	$ 3,027	$ (4,286)	(141.6)%

* For more detail on the costs, see "—Supplemental Master Planned Communities Data."

For the six months ended June 30, 2010, we sold 138.8 residential acres compared to 322.1 acres for the six months ended June 30, 2009. We sold 24.7 acres of commercial lots for the six months ended June 30, 2010 compared to 34.5 acres for the six months ended June 30, 2009.

During the six months ended June 30, 2010, there was increased residential and commercial sales activity at the Woodlands community in Houston Texas. These increases were partially offset by the bulk sale of remaining single family lots at the Fairwood community in Maryland in 2009. There were no land sales for the six months ended June 30, 2010 in our Gateway, Emerson and Fairwood communities in Maryland and in our Summerlin community in Las Vegas, Nevada. There were minimal land sales in our Columbia community in Maryland and our Bridgeland community in Houston, Texas.

The following table summarizes the status of residential and commercial sales for all communities as well as the expected community sell-out date as of June 30, 2010:

Community	Remaining Saleable Acres Residential	Remaining Saleable Acres Commercial	Remaining Saleable Acres Total	Redevelopment Acres(1)	Projected Community Sell-Out Date
Bridgeland	3,981	1,246	5,227	—	2036
Summerlin(2)	6,559	625	7,184	—	2039
The Woodlands	1,063	1,018	2,081	—	2017
Maryland Communities:					
Columbia	—	—	—	136	2035
Gateway	—	121	121	—	2013
Emerson	12	68	80	—	2013
Fairwood	—	11	11	—	2013
	11,615	3,089	14,704	136	

(1) Reflects the number of acres we expect to redevelop.

(2) Does not reflect recent Pulte and Richmond sales as described in the "Summary" section.

As of June 30, 2010, the master planned communities have approximately 14,700 remaining salable acres.

The following table summarizes the average sales price per acre sold for residential and commercial property by community:

Community	Six Months Ended June 30, 2010 Residential	2010 Commercial	2009 Residential	2009 Commercial
	(In thousands)			
Bridgeland	$ 255	$ —	$ 305	$ 50
Summerlin	—	—	—	999
The Woodlands	346	328	423	370
Maryland Communities	—	—	73	—

Although the average sales price per acre can fluctuate widely depending on the location and type of the parcels within a community and the density of what is sold, the decrease in average sales prices during the six months ended June 30, 2010 compared to the prior year period reflect the weak overall demand for lots.

We expect continued weakness in land sales given the sluggish economic recovery from the recent recession. However, only Bridgeland, Summerlin and The Woodlands have significant remaining acres available for sale and, therefore, are the only communities positioned to take significant advantage of any rebound in the economic environment.

Strategic Development Segment

(In thousands)	Six Months Ended June 30, 2010	2009	$ Increase (Decrease)	% Increase (Decrease)
Property revenues:				
Minimum rents	$ 36,384	$ 40,471	$ (4,087)	(10.1)%
Tenant recoveries	9,252	9,782	(530)	(5.4)
Overage rents	912	850	62	7.3
Other	18,992	17,390	1,602	9.2
Total property revenues	65,540	68,493	(2,953)	(4.3)
Property operating expenses:				
Real estate taxes	7,547	6,659	888	13.3
Property maintenance costs	3,529	2,869	660	23.0
Marketing	507	460	47	10.2
Other property operating costs	32,680	36,417	(3,737)	(10.3)
Provision for doubtful accounts	357	1,212	(855)	(70.5)
Property management and other costs	8,996	8,431	565	6.7
Total property operating expenses	53,616	56,048	(2,432)	(4.3)
Strategic Development Segment Adjusted EBITDA	$ 11,924	$ 12,445	$ (521)	(4.2)%

Minimum rents decreased $4.1 million for the six months ended June 30, 2010 primarily due to a decrease of approximately $4.6 million in lease termination income and minimum rents, at share, from The Woodlands, one of our Real Estate Affiliates.

Other property revenues primarily include vending, parking, marketing and promotion, and gains and losses on certain property disposition transactions. The $1.6 million increase in other property revenue in the six months ended June 30, 2010 is primarily due to net losses on certain property transactions in the six months ending June 30, 2009 of approximately $3.4 million compared to no net gains or losses in the comparable period of 2010. A decrease in Woodlands Conference Center revenues during the six month period ending 2010, compared to the prior year period provided a partial offset.

Property maintenance costs increased $0.7 million in the six months ended June 30, 2010 primarily due to increased seasonal maintenance costs, miscellaneous building repairs and higher contract services costs across the segment in 2010.

Other property operating costs decreased $3.7 million in the six months ended June 30, 2010 primarily due to lower costs at The Woodlands.

The provision for doubtful accounts decreased $0.9 million in the six months ended June 30, 2010 compared to the six months ended June 30, 2009 primarily due to improving collections experienced at Ward Centers and South Street Seaport in 2010.

Certain Significant Combined Revenues and Expenses

(In thousands)	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009	$ Increase (Decrease)	% Increase (Decrease)
Tenant rents	$ 44,164	$ 44,149	$ 15	0.0%
Land sales	12,107	31,434	(19,327)	(61.5)
Property operating expense	28,870	26,202	2,668	10.2
Land sales operations	20,597	32,454	(11,857)	(36.5)
Property management and other costs	8,996	8,431	565	6.7
Strategic initiatives	—	5,114	(5,114)	(100.0)
Provisions for impairment	486	140,180	(139,694)	(99.7)
Depreciation and amortization	8,425	10,787	(2,362)	(21.9)
Interest expense	1,207	582	625	107.4
Provision for (benefit from) income taxes	17,953	(2,913)	20,866	(716.3)
Equity in income of Real Estate Affiliates	5,172	4,121	1,051	25.5
Reorganization items	(26,614)	(2,017)	(24,597)	1,219.5

Land sales and associated sales operations decreased during the six months ended June 30, 2010 compared to the prior year due to lower sales volume.

Strategic initiatives for the six months ended June 30, 2009 consist of professional fees for restructuring that were incurred prior to the filing for Chapter 11 protection of certain of our Predecessors (the "Predecessor Debtors"). Similar fees incurred after filing for Chapter 11 protection are recorded as reorganization items.

Based on the results of our evaluations for impairment (Note 1), we recognized impairment charges of $0.5 million (related to the write down of various pre-development costs that were determined to be non-recoverable due to the termination of associated projects) for the six months ended June 30, 2010 and $140.2 million for the six months ended June 30, 2009. Although all of the properties in our Master Planned Communities segment and two of our operating properties in our Strategic Development segment had impairment indicators and carrying values in excess of estimated fair value at June 30, 2010, aggregate undiscounted cash flows for such master planned communities properties and the two strategic development properties exceeded their respective aggregate book values by over 200% and over 32%, respectively. The impairment charges recognized in 2009 were as follows:

- $24.2 million to the Allen mall development in Allen, Texas
- $6.7 million to the Village at Redlands Promenade development in Redlands, California
- $0.7 million related to the write down of various pre-development costs that were determined to be non-recoverable due to the termination of associated projects
- $52.8 million to our Fairwood Master Planned Community in Columbia, Maryland
- $55.9 million related to our Nouvelle at Natick project located in Boston, Massachusetts

The increase in the provision for income taxes for the six months ended June 30, 2010 was primarily attributable to an increase in taxable income related to our taxable entities for the six months ended June 30, 2010 and a tax benefit related to provisions for impairments at our master planned communities in 2009, partially offset by a significant decrease in valuation allowances compared to the six months ended June 30, 2009.

Reorganization items under the bankruptcy filings are expense or income items that were incurred or realized by the Predecessor Debtors as a result of the Chapter 11 Cases. These items include professional fees and similar types of expenses incurred directly related to the bankruptcy filings, gains or losses resulting from activities of the reorganization process, including gains related to recording the mortgage debt at Fair Value upon emergence from bankruptcy and interest earned on cash accumulated by the TopCo Debtors. See Note 1—Reorganization items for additional detail.

Year Ended December 31, 2009 and 2008

Master Planned Communities Segment

(In thousands)	2009	2008	$ Increase (Decrease)	% Increase (Decrease)
Land sales	$ 83,989	$ 138,746	$ (54,757)	(39.5)%
Land sales operations	(82,746)	(109,732)	(26,986)	(24.6)
Master Planned Communities Segment Adjusted EBITDA	$ 1,243	$ 29,014	$ (27,771)	(95.7)%

The decrease in land sales, land sales operations and Adjusted EBITDA in 2009 was the result of a significant reduction in sales volume and lower margins at our Summerlin, Bridgeland and The Woodlands residential communities. These volume decreases were partially offset by the bulk sale in 2009 of the majority of the remaining single family lots in our Fairwood community (reported as part of our Columbia, Maryland property) at considerably lower margins than previous Fairwood sales and by the sale of a residential parcel for use in the development of luxury apartments and town homes, in our Maryland communities.

In 2009, we sold 426.4 residential acres compared to 272.5 acres in 2008, including the 221 acres in the bulk Fairwood sale discussed above. Although we sold 94.8 acres of commercial lots in 2009 compared to 84.6 acres in 2008, average prices for lots declined as compared to 2008.

Strategic Development Segment

The following table compares major revenue and expense items:

(In thousands)	2009	2008	$ Increase (Decrease)	% Increase (Decrease)
Revenues:				
Minimum rents	$ 78,339	$ 80,998	$ (2,659)	(3.3)%
Tenant recoveries	19,642	21,592	(1,950)	(9.0)
Overage rents	2,701	3,519	(818)	(23.2)
Other	35,306	54,587	(19,281)	(35.3)
Total property revenues	135,988	160,696	(24,708)	(15.4)
Property operating expenses:				
Real estate taxes	14,503	11,037	3,466	31.4
Property maintenance costs	8,094	7,680	414	5.4
Marketing	1,071	1,530	(459)	(30.0)
Other property operating costs	71,858	82,242	(10,384)	(12.6)
Provision for doubtful accounts	2,539	1,174	1,365	116.3
Property management and other costs	17,643	20,656	(3,013)	(14.6)
Total property operating expenses	115,708	124,319	(8,611)	(6.9)
Strategic Development Segment Adjusted EBITDA	$ 20,280	$ 36,377	$ (16,097)	(44.2)%

The $2.7 million decrease in minimum rents was primarily due to a decline in occupancies between 2008 and 2009 at our Operating Retail Properties. This decrease was partially offset by increases in minimum rents at Riverwalk Marketplace. The increases at Riverwalk Marketplace were driven by increasing occupancy as the property continued recovering from the effects of Hurricane Katrina.

Certain of our leases include both a base rent component and a component which requires tenants to pay amounts related to all, or substantially all, of their share of real estate taxes and certain property operating expenses, including common area maintenance and insurance. The portion of the tenant rent from these leases attributable to real estate tax and operating expense recoveries is recorded as tenant recoveries. The $2.0 million decrease in tenant recoveries was primarily attributable to the decrease in certain property operating expenses discussed below.

Overage rent is rental revenue paid by tenants which is based on a percentage of the tenant's sales above a threshold specified in the lease agreement. The decrease in overage rent was primarily due to a decrease in comparable tenant sales as a result of a challenging economic environment that impacted many of our tenants, particularly at Ward Centers and South Street Seaport.

Other revenues include all other property revenues including vending, parking, gains or losses on dispositions of certain property transactions, sponsorship and advertising revenues, less Adjusted EBITDA of non-controlling interests. The decrease in other revenues was primarily attributable to dispositions of land parcels at Kendall that resulted in a $3.9 million loss on sale of land in 2009 and as compared to a $4.3 million gain on sale of land in 2008 as well as a $6.4 million gain on sale of a Woodlands office property in 2008. In addition, the decrease in other revenues is also attributable to reduced occupancy and activity in food and beverage revenue at The Woodlands Hotel and Conference Center in 2009. Finally, the decrease was attributable to lower sponsorship, show and display revenue in 2009.

Real estate taxes increased in 2009 at our Operating Retail Properties, a portion of which is recoverable from tenants. A portion of the increase was attributable to a decrease in the amount of capitalized real estate taxes due to decreased development activity.

The $10.4 million decrease in other property operating costs is primarily related to reduced operating costs at the properties owned by The Woodlands joint venture as well as at wholly-owned South Street Seaport and Ward Centers. Reduced occupancy drove the cost reductions at the resort and conference center properties in The Woodlands, while the office property was sold from The Woodlands during 2008. Operating costs were significantly reduced at Ward Centers. Ward Centers had reductions in electric expenses, due to an energy cost adjustment tied to the cost of fuel. We do not expect that reductions in operating costs will continue, as a result of recent energy rate increases. South Street Seaport had reductions in ground rent expense and utility expense. The property had decreases in ground rent participation and we do not expect such decreases to continue. The property also had higher utility expenses in 2008 due to a multi-year catch-up of unbilled water expenses.

The $1.4 million increase in the provision for doubtful accounts was primarily due to the recovery of previously written-off property taxes and other receivables at Ward Centers during 2008.

The decrease in property management and other costs in 2009 is primarily due to a decrease in wages and benefits of $3.0 million. In addition, professional fees, personnel, travel, marketing, office and occupancy costs decrease as the result of cost reduction efforts. These decreases were offset by a reduction in capitalized overhead, which resulted in higher net expenses in 2009, and increased incentive compensation.

Certain Significant Combined Revenues and Expenses

(In thousands)	2009	2008	$ Increase (Decrease)	% Increase (Decrease)
Tenant rents	$ 87,996	$ 93,552	$ (5,556)	(5.9)%
Land sales	45,996	66,557	(20,561)	(30.9)
Property operating expense	56,748	55,819	929	1.7
Land sales operations	49,062	63,421	(14,359)	(22.6)
Property management and other costs	17,643	20,656	(3,013)	(14.6)
Strategic Initiatives	5,380	1,496	3,884	259.6
Provisions for impairment	680,349	52,511	627,838	1,195.6
Depreciation and amortization	19,841	18,421	1,420	7.7
(Benefit from) provision for income taxes	(23,969)	2,703	(26,672)	(986.8)
Equity in income (loss) of Real Estate Affiliates	(28,209)	23,506	(51,715)	(220.0)
Reorganization items	(6,674)	—	(6,674)	—

Changes in combined tenant rents (which includes minimum rents, tenant recoveries and overage rent), land sales, property operating expenses (which includes real estate taxes, property maintenance costs, marketing, other property operating costs and provision for doubtful accounts), land sales operations and property management and other costs were attributable to the same items discussed above in our segment basis results, excluding those items related to the properties owned by our Real Estate Affiliates. Property management and other costs are primarily costs allocated from GGP related to our costs of doing business and are generally not direct property-related costs.

The increase in strategic initiatives in 2009 is primarily due to property-specific professional fees for restructuring and strategic initiatives incurred through the Petition Date. Similar costs incurred subsequent to the Petition Date are classified as reorganization items.

Based on the results of our evaluations for impairment (Note 2), we recognized non-cash impairment charges of $680.3 million in 2009 compared to $52.5 million in 2008. The most significant impairment charges in 2009 were in our Strategic Development segment related to The Shops at Summerlin Centre and Elk Grove Promenade totaling $176.1 and $175.3 million, respectively. We also recognized provisions for impairment in both 2009 and 2008 related to Nouvelle at Natick totaling $55.9 and $40.3 million, respectively, to reflect the continued weak demand and the likely extension of the period required to complete all unit sales at this residential condominium project. Finally, in the Master Planned Communities segment we recognized provisions for impairment related to our Fairwood Community in Maryland totaling $52.8 million in 2009 reflecting lower sales prices at that property. See Note 2 for additional descriptions of the provisions for impairment that we recognized in 2009 and 2008.

The benefit from income taxes in 2009 was primarily attributable to tax benefit related to the provisions for impairment of $35.1 million related to our Kendall development, $52.8 million related to our Fairwood master planned community and $55.9 million related to our Nouvelle at Natick condominium project. The benefit from income taxes was partially offset by an increase in the valuation allowances on our deferred tax assets as a result of Chapter 11.

The decrease in equity in income (loss) of Real Estate Affiliates is primarily due to a significant decrease in land sales at The Woodlands master planned community joint venture in 2009 compared to 2008.

Reorganization items are expense or income items that were incurred or realized by the Predecessors as a result of the Chapter 11 Cases. These items include professional fees and similar types of expenses incurred directly related to the bankruptcy filings, loss accruals or gains or losses resulting from activities of the reorganization process and interest earned on cash accumulated by the TopCo Debtors. See Note 2—Reorganization Items for additional detail.

Year Ended December 31, 2008 and 2007

Master Planned Communities Segment

(In thousands)	2008	2007	$ Increase (Decrease)	% Increase (Decrease)
Land sales	$ 138,746	$ 227,377	$ (88,631)	(39.0)%
Land sales operations	(109,732)	(172,023)	(62,291)	(36.2)
Master Planned Communities Segment Adjusted EBITDA	$ 29,014	$ 55,354	$ (26,340)	(47.6)%

The decrease in land sales and land sales operations and Adjusted EBITDA in 2008 was the result of a significant reduction in sales volume and lower achieved margins at our Summerlin, Maryland, Bridgeland and The Woodlands residential communities. In 2008, we sold 272.5 residential acres compared to 409.1 acres in 2007. We sold 84.6 acres of commercial lots in 2008 compared to 163.2 acres in 2007.

Strategic Development Segment

The following table compares major revenue and expense items:

(In thousands)	2008	2007	$ Increase (Decrease)	% Increase (Decrease)
Property revenues:				
Minimum rents	$ 80,998	$ 88,713	$ (7,715)	(8.7)%
Tenant recoveries	21,592	22,449	(857)	(3.8)
Overage rents	3,519	5,194	(1,675)	(32.2)
Other	54,587	70,504	(15,917)	(22.6)
Total property revenues	160,696	186,860	(26,164)	(14.0)
Property operating expenses:				
Real estate taxes	11,037	10,184	853	8.4
Property maintenance costs	7,680	8,191	(511)	(6.2)
Marketing	1,530	1,646	(116)	(7.0)
Other property operating costs	82,242	95,450	(13,208)	(13.8)
Provision for doubtful accounts	1,174	1,301	(127)	(9.8)
Property management and other costs	20,656	26,799	(6,143)	(22.9)
Total property operating expenses	124,319	143,571	(19,252)	(13.4)
Strategic Development Segment Adjusted EBITDA	$ 36,377	$ 43,289	$ (6,912)	(16.0)%

The $7.7 million decrease in minimum rents was primarily due to 2007 business interruption insurance proceeds of $6.9 million at Riverwalk Marketplace. These insurance proceeds related to claims made by us for property damages and business interruption in the aftermath of Hurricane Katrina.

The decrease in overage rent was primarily due to a decrease in comparable tenant sales as a result of a challenging economic environment that impacted many of our tenants, particularly at Ward Center and South Street Seaport.

Other revenues include all other property revenues including vending, parking, sponsorship and advertising revenues. The decrease in other revenues was primarily attributable to The Woodlands which sold various office buildings and other properties during 2007 resulting in lower recorded amounts of other revenues in 2008 compared to 2007.

The $13.2 million decrease in other property operating costs is primarily related to reduced operating costs at The Woodlands. Reduced occupancy drove the cost reductions at the resort and conference center properties in The Woodlands, while an office property was sold from The Woodlands during 2008. Additionally, operating costs were significantly reduced at Riverwalk Marketplace.

Riverwalk Marketplace had reductions in ground rent participation expense, office miscellaneous expenses, and legal fees. These fees were higher in 2007 compared to 2008 as a result of Hurricane Katrina costs. We do not expect the 2007 results to continue in the future.

Property management and other costs in the aggregate represent our costs of doing business and are generally not direct property-related costs. The decrease in property management and other costs in 2008 was primarily due to lower leasing commissions and lower overall management costs, including incentive compensation, stock compensation expense and travel expense, primarily related to a reduction in personnel and other cost reduction efforts.

Certain Significant Combined Revenues and Expenses

(In thousands)	2008	2007	$ Increase (Decrease)	% Increase (Decrease)
Tenant rents	$ 93,552	$ 105,852	$ (12,300)	(11.6)%
Land sales	66,557	142,360	(75,803)	(53.2)
Property operating expenses	55,819	55,112	707	1.3
Land sales operations	63,421	114,210	(50,789)	(44.5)
Property management and other costs	20,656	26,799	(6,143)	(22.9)
Strategic initiatives	1,496	—	1,496	—
Provisions for impairment	52,511	125,879	(73,368)	(58.3)
Depreciation and amortization	18,421	22,995	(4,574)	(19.9)
Provision for (benefit from) income taxes	2,703	(10,643)	13,346	(125.4)
Equity in income of Real Estate Affiliates	23,506	68,451	(44,945)	(65.7)

Changes in combined tenant rents (which includes minimum rents, tenant recoveries and overage rent), land sales, property operating expenses (which includes real estate taxes, repairs and maintenance, marketing, other property operating costs and provision for doubtful accounts), land sales operations and property management and other costs were attributable to the same items discussed above in our segment basis results, excluding those items related to the properties owned by our Real Estate Affiliates.

Strategic initiatives of $1.5 million include professional fees for restructuring and advisory services.

Based on the results of our evaluations for impairment (Note 2), we recognized a non-cash impairment charge of $125.8 million in 2007 related to our Columbia and Fairwood communities located in Maryland. In addition, we recognized impairment charges of $7.8 million in the third quarter of 2008 related to our Century Plaza (Birmingham, Alabama) operating property. We also recognized a provision for impairment of $40.3 million at Nouvelle at Natick in 2008 to reflect the continued weak demand and the likely extension of the period required to complete all unit sales at this residential condominium project. Sales of condominium units commenced in the fourth quarter of 2008. Finally, we recognized impairment charges of $4.3 million throughout 2008 related to the write down of various pre-development costs that were determined to be non-recoverable due to the related projects being terminated which is the result of the current depressed retail real estate market and our liquidity situation. We recognized similar impairment charges for pre-development projects in the amount of $0.1 million in 2007.

The increase in depreciation and amortization is primarily due to a cumulative adjustment to the useful lives of certain assets in 2007.

The provision for income taxes in 2008 was primarily attributable to the tax benefit generated by the provision for impairment of $40.3 million booked on our Nouvelle at Natick condominium project and was partially offset by an increase in the valuation allowances on our deferred tax assets as a result of Chapter 11.

Supplemental Master Planned Communities Data

The tables set forth below present supplemental financial and operational data for our Master Planned Communities segment for the periods indicated on the following basis:

- on a combined basis, excluding the Woodlands except to the extent of Adjusted EBITDA relating to the Woodlands land business which is reflected at our share;
- for our Summerlin community;
- for our Bridgeland community; and
- for our Maryland communities.

This data includes certain measures, specifically "Combined MPC Adjusted EBITDA," "Total MPC Segment Adjusted EBITDA" and "Total Levered MPC Free Cash Flow" that we calculate in the manner set forth in the tables but that are not required by, or presented in accordance with, GAAP. We present the information set forth below as supplemental measures of our Master Planned Communities segment performance because we believe that such information is helpful to investors in understanding and comparing the performance of our Master Planned Communities segment across reporting periods on a consistent basis by excluding items that we do not believe are indicators of our core MPC segment operating performance. These are not measures of our financial performance under GAAP and should not be considered as alternatives to any other performance measures derived in accordance with GAAP or as alternatives to cash flow from operating activities as measures of our liquidity.

Master Planned Communities ("MPC")

MPC Combined

The following table sets forth in further detail the components of our calculation of Combined MPC Adjusted EBITDA as reflected in Note 13 of our audited combined financial statements and Note 10 of our unaudited combined financial statements each as included elsewhere in this registration statement. Specifically, we have provided in the table below Adjusted EBITDA for the Combined Properties (*i.e.*, Summerlin, Bridgeland and Maryland) and Adjusted EBITDA of the Woodlands (one of our Real Estate Affiliates) MPC business. We believe that this information is useful to an investor's understanding of the operating results of our Master Planned Communities segment discussed in our combined financial statements included elsewhere in this registration statement and in "—Management's Discussion and Analysis of Results of Operations and Financial Condition." A reconciliation of Adjusted EBITDA to GAAP net loss attributable to GGP on a combined basis for the years ended December 31, 2009, 2008 and 2007 is presented in Note 13 of the audited combined financial statements for such periods, included elsewhere in this registration statement. A similar presentation for the six months ended June 30, 2010 and 2009 is reflected in Note 10 of the unaudited combined financial statements for such periods, also included elsewhere in this registration statement.

	Six Months Ended June 30,		Year Ended December 31,			
	2010	2009	2009	2008	2007	2006
	(In thousands)					
Land Sale Revenue	$ 9,653	$ 28,918	$ 37,723	$ 37,410	$ 122,519	$ 413,756
Other Revenue	2,454	2,516	8,273	29,147	19,841	11,411
Total Revenue	12,107	31,434	45,996	66,557	142,360	425,167
Cost of Land Sales	3,251	18,668	22,019	24,516	46,587	175,184
SG&A Expenses	8,677	5,504	10,300	22,920	53,276	128,784
Property Taxes	8,669	8,282	16,743	15,985	14,347	12,436
Total Expenses	20,597	32,454	49,062	63,421	114,210	316,404
Combined MPC Adjusted EBITDA(1)	(8,490)	(1,020)	(3,066)	3,136	28,150	108,763
Adjusted EBITDA from the Woodlands MPC business (at share)(1)	7,231	4,047	4,309	25,878	27,204	23,238
Total MPC Segment Adjusted EBITDA(1)	$ (1,259)	$ 3,027	$ 1,243	$ 29,014	$ 55,354	$ 132,001

(1) See Master Planned Communities Adjusted EBITDA in Note 13 of our audited combined financial statements and Note 10 of our unaudited combined financial statements each as included elsewhere in this registration statement.

The following table sets forth our calculation of Total Levered MPC Free Cash Flow on a combined basis. We believe that investors utilize Total Levered Free Cash Flow for our Master Planned Communities segment for valuation purposes because discounted cash flow is a common valuation technique used by investors for the master planned communities business. Under GAAP accrual accounting, revenues and expenses for the business may be recognized in time periods which differ from the actual receipt and payment of cash, respectively. The master planned communities business is primarily focused on land entitlement and development, which features significant upfront expenses associated with the cost to generate future land sales. Total Levered Free Cash Flow attempts to adjust for timing differences that are inherent in the accrual methods prescribed by GAAP and present the actual cash inflows and outflows of the business.

	Six Months Ended June 30,		Year Ended December 31,			
	2010	2009	2009	2008	2007	2006
	(In thousands)					
Combined MPC Adjusted EBITDA(1)	$ (8,490)	$ (1,020)	$ (3,066)	$ 3,136	$ 28,150	$ 108,763
Cash Flow Adjustments:						
Net Development Costs(2)	(14,831)	(16,192)	(20,598)	(80,298)	(107,013)	(176,440)
Cost of Sales	3,251	18,668	22,019	24,516	46,587	175,184
Land Sale Deposits/Deferred Land Sales	(1,381)	100	3,489	(216)	2,072	13,227
Builder Price Participation	485	529	685	1,082	6,310	18,010
Adjustments to Cash Basis(3)	446	1,397	277	(6,048)	(13,743)	(4,639)
Deferred Revenue	—	402	—	—	—	—
Participation Expense	—	(2,184)	(5,344)	2,232	31,021	109,945
SID Assumptions	—	(232)	(247)	(125)	(2,242)	(5,577)
Collections of Builder Notes Receivable	(78)	(3,000)	(3,000)	—	5,200	6,404
Interest on Property Debt	(750)	(581)	(1,457)	(1,621)	(1,202)	(1,397)
Cash Flow Participation(4)	—	—	—	—	(15,484)	(83,801)
Other	(4)	419	140	724	257	—
	(12,862)	(674)	(4,036)	(59,754)	(48,237)	50,916
Distributions from The Woodlands land business	—	—	—	—	70,875	28,875
Total Levered MPC Free Cash Flow(5)	$ (21,352)	$ (1,694)	$ (7,102)	$ (56,618)	$ 50,788	$ 188,554

(1) See Master Planned Communities Adjusted EBITDA in Note 13 of our audited combined financial statements and in Note 10 of our unaudited combined financial statements each included elsewhere in this registration statement.

(2) Calculated as MPC land development expenditures net of public financing reimbursements.

(3) Reflects conversion of accrual basis Selling, General and Administrative as well as Other Income expenses to a cash basis.

(4) Reflects participation distributions pursuant to the Contingent Stock Agreement.

(5) The following is a reconciliation of Total levered MPC Free Cash Flow to Combined Spinco, Inc. Net cash (used in) provided by operating activities:

	Six Months Ended June 30,		Year Ended December 31,			
	2010	2009	2009	2008	2007	2006
	(In thousands)					
Total Levered MPC Free Cash Flow	$ (21,352)	$ (1,694)	$ (7,102)	$ (56,618)	$ 50,788	$ 188,554
Plus: Non-MPC operating cash flow(a)	(29,810)	(7,472)	(10,768)	5,919	(31,954)	30,357
Less: The Woodlands cash distributions	—	—	—	—	(70,875)	(28,875)
Combined Spinco, Inc. Net cash (used in) provided by operating activities	$ (51,162)	$ (9,166)	$ (17,870)	$ (50,699)	$ (52,041)	$ 190,036

(a) Reflects operating cash flow items relating to our Strategic Development segment, including Nouvelle at Natick development expenditures and other strategic development operating property working capital changes.

Summerlin

The following table sets forth in further detail the components of our calculation of Summerlin Adjusted EBITDA.

	Six Months Ended June 30,		Year Ended December 31,			
	2010	2009	2009	2008	2007	2006
	(In thousands)					
Land Sale Revenue	$ 919	$ 5,502	$ 5,112	$ 8,042	$ 86,012	$ 311,400
Other Revenue	2,086	1,884	6,886	24,580	18,606	9,748
Total Revenue	3,005	7,386	11,998	32,622	104,618	321,148
Cost of Land Sales	—	1,805	2,231	3,324	26,044	93,830
SG&A Expenses	5,446	2,331	3,253	13,523	40,889	121,716
Property Taxes	8,272	7,312	15,164	14,427	12,706	11,442
Total Expenses	13,718	11,448	20,648	31,274	79,639	226,988
Summerlin Adjusted EBITDA	$ (10,713)	$ (4,062)	$ (8,650)	$ 1,348	$ 24,979	$ 94,160

The following table sets forth our calculation of Summerlin Levered Free Cash Flow.

	Six Months Ended June 30,		Year Ended December 31,			
	2010	2009	2009	2008	2007	2006
	(In thousands)					
Summerlin Adjusted EBITDA	$ (10,713)	$ (4,062)	$ (8,650)	$ 1,348	$ 24,979	$ 94,160
Cash Flow Adjustments:						
Net Development Costs(1)	(8,514)	(5,518)	(11,313)	(20,778)	(37,027)	(112,684)
Cost of Sales	—	1,805	2,231	3,324	26,044	93,830
Land Sale Deposits/Deferred Land Sales	—	—	402	(393)	2,088	13,227
Builder Price Participation	397	308	397	456	4,821	15,582
Adjustments to Cash Basis(2)	465	99	407	(5,342)	(13,996)	(4,403)
Deferred Revenue	—	402	—	—	—	—
Participation Expense	—	(2,184)	(5,344)	2,149	31,021	109,945
SID Assumptions	—	(232)	(247)	(125)	(2,242)	(5,577)
Collections of Builder Notes Receivable	—	—	—		3,200	800
Interest on Property Debt	—	—	—	—	—	—
Cash Flow Participation(3)	—	—	—	—	(15,484)	(83,801)
Other	—	222	(62)	733	257	—
Summerlin Levered Free Cash Flow	$ (18,365)	$ (9,160)	$ (22,179)	$ (18,628)	$ 23,661	$ 121,079

(1) Calculated as Summerlin land development expenditures net of public financing reimbursements.

(2) Reflects conversion of accrual basis Selling, General and Administrative as well as Other Income expenses to a cash basis.

(3) Reflects participation distributions pursuant to the Contingent Stock Agreement.

Bridgeland

The following table sets forth in further detail the components of our calculation of Bridgeland Adjusted EBITDA.

	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009	Year Ended December 31, 2009	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006
	(In thousands)					
Land Sale Revenue	$ 6,514	$ 4,443	$ 10,981	$ 10,020	$ 18,349	$ 14,513
Other Revenue	223	430	1,258	1,731	122	233
Total Revenue	6,737	4,873	12,239	11,751	18,471	14,746
Cost of Land Sales	2,223	1,646	4,143	4,119	7,599	7,075
SG&A Expenses	2,331	1,953	4,379	5,962	6,462	4,796
Property Taxes	18	427	692	644	912	548
Total Expenses	4,572	4,026	9,214	10,725	14,973	12,419
Bridgeland Adjusted EBITDA	$ 2,165	$ 847	$ 3,025	$ 1,026	$ 3,498	$ 2,327

The following table sets forth our calculation of Bridgeland Levered Free Cash Flow.

	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009	Year Ended December 31, 2009	Year Ended December 31, 2008	Year Ended December 31, 2007	Year Ended December 31, 2006
	(In thousands)					
Bridgeland Adjusted EBITDA	$ 2,165	$ 847	$ 3,025	$ 1,026	$ 3,498	$ 2,327
Cash Flow Adjustments:						
Net Development Costs(1)	(3,415)	(7,495)	(2,219)	(45,546)	(47,936)	(34,522)
Cost of Sales	2,223	1,646	4,143	4,119	7,599	7,075
Land Sale Deposits/Deferred Land Sales	—	—	—	—	—	—
Builder Price Participation	98	(51)	38	(123)	—	(156)
Adjustments to Cash Basis(2)	43	411	(64)	(768)	(973)	405
Deferred Revenue	—	—	—	—	—	—
Participation Expense	—	—	—	—	—	—
SID Assumptions	—	—	—	—	—	—
Collections of Builder Notes Receivable	—	—	—	—	—	—
Interest on Property Debt	(750)	(581)	(1,457)	(1,621)	(1,143)	(1,397)
Other	21	10	14	(9)	—	—
Bridgeland Levered Free Cash Flow	$ 385	$ (5,213)	$ 3,480	$ (42,922)	$ (38,955)	$ (26,268)

(1) Calculated as Bridgeland land development expenditures net of public financing reimbursements.

(2) Reflects conversion of accrual basis Selling, General and Administrative as well as Other Income expenses to a cash basis.

Maryland Communities

The following table sets forth in further detail the components of our calculation of Maryland Communities Adjusted EBITDA.

	Six Months Ended June 30,		Year Ended December 31,			
	2010	2009	2009	2008	2007	2006
	(In thousands)					
Land Sale Revenue	$ 2,220	$ 18,973	$ 21,630	$ 19,348	$ 18,158	$ 87,843
Other Revenue	145	202	129	2,836	1,113	1,430
Total Revenue	2,365	19,175	21,759	22,184	19,271	89,273
Cost of Land Sales	1,028	15,217	15,645	17,073	12,944	74,279
SG&A Expenses	900	1,221	2,668	3,435	5,925	2,272
Property Taxes	379	543	887	914	729	446
Total Expenses	2,307	16,981	19,200	21,422	19,598	76,997
Maryland Communities Adjusted EBITDA	$ 58	$ 2,194	$ 2,559	$ 762	$ (327)	$ 12,276

The following table sets forth our calculation of Maryland Communities Levered Free Cash Flow.

	Six Months Ended June 30,		Year Ended December 31,			
	2010	2009	2009	2008	2007	2006
	(In thousands)					
Maryland Communities Adjusted EBITDA	$ 58	$ 2,194	$ 2,559	$ 762	$ (327)	$ 12,276
Cash Flow Adjustments:						
Net Development Costs(1)	(2,902)	(3,179)	(7,066)	(13,974)	(22,050)	(29,234)
Cost of Sales	1,028	15,217	15,645	17,073	12,944	74,279
Land Sale Deposits/Deferred Land Sales	(1,381)	100	3,087	177	(16)	—
Builder Price Participation	(10)	272	250	749	1,489	2,584
Adjustments to Cash Basis(2)	(62)	887	(66)	62	1,226	(641)
Deferred Revenue	—	—	—	—	—	—
Participation Expense	—	—	—	83	—	—
SID Assumptions	—	—	—	—	—	—
Collections of Builder Notes Receivable	(78)	(3,000)	(3,000)	—	2,000	5,604
Interest on Property Debt	—	—	—	—	(59)	—
Other	(25)	188	188	—	—	—
Maryland Communities Levered Free Cash Flow	$ (3,372)	$ 12,679	$ 11,597	$ 4,932	$ (4,793)	$ 64,868

(1) Calculated as Maryland Communities expenditures net of public financing reimbursements.

(2) Reflects conversion of accrual basis Selling, General and Administrative as well as Other Income expenses to a cash basis.

Liquidity and Capital Resources

Following the Effective Date, our primary uses of cash are expected to include working capital, debt repayment, land development costs in our Master Planned Communities segment and, with respect to our Strategic Development segment, operating expenses for our operating properties and future development and redevelopment costs, which we expect to be substantial in order to successfully implement our business strategy. Our primary sources of cash following the Effective Date are expected to include cash flow from land sales in our Master Planned Communities segment, cash generated from our operating properties and the net proceeds from the sale to the Plan Sponsors on the Effective Date of $250.0 million of our common stock. We believe that these sources will provide sufficient cash to meet our existing contractual obligations and our anticipated ordinary course operating expenses for at least the next 12 months. However, in order to pursue future development of our Master Planned Communities segment and/or development and redevelopment opportunities in our Strategic Development segment, we will require additional capital. We intend to raise this additional capital with a mix of construction, bridge and long-term financings, as well as joint venture equity. We do not expect to have a revolving line of credit as of the Effective Date. We cannot assure you that any financings will be available on terms acceptable to us or at all. See "Risk Factors—Risks Related to Our Business—We may face potential difficulties in obtaining operating and development capital."

As of June 30, 2010, our combined debt was $340.5 million and our share of the debt of our Real Estate Affiliates was $196.2 million.

Summary of Cash Flows

Cash Flows from Operating Activities

Net cash used in operating activities was $51.2 million for the six months ended June 30, 2010 and $9.2 million for the six months ended June 30, 2009. Net cash used in operating activities was $17.9 million for the year ended December 31, 2009 and $50.7 million for the year ended December 31, 2008.

Cash used for land/residential development and acquisitions expenditures was $30.6 million for the six months ended June 30, 2010, an increase from $24.4 million for the six months ended June 30, 2009. Cash used for land/residential development and acquisitions expenditures was $61.2 million for the year ended December 31, 2009, a decrease from $147.8 million for the year ended December 31, 2008 as the Predecessors slowed the pace of residential land development in 2009 in light of sales pace declines.

Net cash provided by (used in) certain assets and liabilities, including accounts and notes receivable, prepaid expense and other assets, deferred expenses, and accounts payable and accrued expenses and deferred tax liabilities totaled $20.8 million for the six months ended June 30, 2010 and $(10.2) million for the six months ended June 30, 2009. Accounts payable and accrued expenses and deferred tax liabilities increased $22.5 million primarily as a result of an increase in accrued interest for unsecured debt. Although liabilities not subject to compromise and certain liabilities subject to compromise have been approved for payment by the Bankruptcy Court, a significant portion of our liabilities subject to compromise are subject to settlement under the Plan and have not been paid to date. In addition, accounts and notes receivable decreased $6.5 million from December 31, 2009 to June 30, 2010, whereas, such accounts increased $2.3 million from December 31, 2008 to June 30, 2009. Net cash used in other operating activities as accounts payable and accrued expenses, including amounts subject to compromise at December 31, 2009, decreased by $28.8 million in 2009. The decrease was primarily as a result of lower construction payables due to the decrease in development activity.

Cash Flows from Investing Activities

Net cash used in investing activities was $37.1 million for the six months ended June 30, 2010 and $13.4 million for the six months ended June 30, 2009. Cash used for acquisition/development of real estate and property additions/improvements was $37.1 million for the six months ended June 30, 2010, and $18.8 million for the six months ended June 30, 2009. Net cash used in investing activities was $21.4 million for the year ended December 31, 2009 and $300.2 million for the year ended December 31, 2008. Cash used for acquisition/development of real estate and property additions/improvements was $27.7 million for the year ended December 31, 2009, a decline from $314.1 million for the year ended December 31, 2008 primarily due to the completion, suspension or termination of a number of development projects in late 2008 and early 2009. We expect, or are obligated to incur, development and redevelopment expenditures of $64.7 million from 2010 to 2012.

Cash Flows from Financing Activities

Net cash provided by financing activities was $88.1 million for the six months ended June 30, 2010 and $32.4 million for the six months ended June 30, 2009. Net cash provided by financing activities was $37.5 million for the year ended December 31, 2009 and $348.4 million for the year ended December 31, 2008.

Principal payments on mortgages, notes and loan payable were $2.5 million for the six months ended June 30, 2010 and $6.8 million for the six months ended June 30, 2009. In addition, we received contributions from GGP of $90.7 million during the six months ended June 30, 2010 and $39.4 million during the six months ended June 30, 2009. Principal payments on mortgages, notes and loans payable were $10.5 million for the year ended December 31, 2009 and $15.5 million for the year ended December 31, 2008.

Spinco Note and Tax Indemnity

Spinco Note

The Spinco Note, which is an ancillary agreement contemplated by the Investment Agreements with the Plan Sponsors, is designed to allocate value between reorganized GGP (and, indirectly, the Plan Sponsors, who will be investing in reorganized GGP) and Spinco (and, indirectly, GGP's stockholders who, following the distribution of Spinco's shares pursuant to the Plan, will be the majority stockholders of Spinco), in a manner that is similar to a post-closing purchase price adjustment in the acquisition of a business. The purchase price per share of reorganized GGP common stock which the Plan Sponsors are committed to pay under the Investment Agreements is based on several financial metric assumptions for reorganized GGP, and the Spinco Note is intended to compensate reorganized GGP for certain differences between these assumptions and actual results as reorganized GGP emerges from bankruptcy following the implementation of the Plan. The Spinco Note, if issued, is intended to compensate reorganized GGP (and, indirectly, the Plan Sponsors), for these differences, while not adversely impacting Spinco's liquidity by not requiring Spinco to settle these differences in cash on the Effective Date.

The financial metrics that will be taken into account (through the operation of a complex formula described in detail below) in determining whether the Spinco Note will be issued and, if issued, the principal amount of the note, include (but are not limited to):

- the amount of reorganized GGP's debt and cash at the Effective Date;
- the amount of certain claims that are allowed against the TopCo Debtors in the Chapter 11 Cases;

- the amount agreed upon or ordered by the Bankruptcy Court to resolve the Hughes heirs obligations;
- the amount of certain costs and expenses incurred by GGP to form and establish Spinco (referred to as "Spinco Setup Costs"); and
- the amount, if any, of the proceeds of equity capital raises conducted by reorganized GGP at a price that exceeds the price per share paid by the Plan Sponsors pursuant to the Investment Agreements.

Based on currently available information, we do not expect that a Spinco Note will be issued on the Effective Date. See "Financial Information—Unaudited Pro Forma Condensed Combined Financial Information" for a sensitivity analysis relating to the issuance of a Spinco Note.

A more detailed discussion of the calculation of the Spinco Note and the relationship between the Spinco Note and the tax indemnities follows.

Calculation of the Spinco Note

If issued on the Effective Date, the Spinco Note will be a five year, interest bearing, unsecured promissory note payable by us or one of our subsidiaries to reorganized GGP or one of its subsidiaries. Whether a Spinco Note will be issued on the Effective Date and the amount of the Spinco Note if issued are determined based on

- the amount of Closing Date Net Debt (described below) as compared to Target Net Debt (described below),
- the amounts paid in respect of the Hughes heirs obligations, and
- the amount of any Offering Premium.

Closing Date Net Debt is calculated as

- Proportionally Consolidated Debt (described below) plus any accrued and unpaid interest thereon plus any new corporate debt to be raised upon the Effective Date, less
- the Reinstatement Adjustment Amount (described below) plus
- the Permitted Claims Amount (described below) less
- the amount of Proportionally Consolidated Debt attributable to assets of GGP, its subsidiaries and other persons in which GGP, directly or indirectly, holds a minority interest sold, returned, abandoned, conveyed, transferred or otherwise divested during the period between the date of the Investment Agreements and through the closing, but excluding any deficiency, guaranty or other similar claims associated with special consideration properties, less
- the amount of Proportionally Consolidated Unrestricted Cash (described below); provided, however, that the net proceeds attributable to sales of assets of GGP, its subsidiaries and other persons in which GGP, directly or indirectly, holds a minority interest sold, returned, abandoned, conveyed, or otherwise transferred during the period between the date of the Investment Agreements and through the closing shall be deducted prior to subtracting Proportionally Consolidated Unrestricted Cash.

Target Net Debt is defined in the Investment Agreements as equal to $22,970,800,000.

Proportionally Consolidated Debt means consolidated debt of GGP less

- all debt of subsidiaries of GGP that are not wholly-owned and other persons in which GGP, directly or indirectly, holds a minority interest, to the extent such debt is included in consolidated debt, plus

- GGP's share of debt for each non-wholly owned subsidiary of GGP and each other person in which GGP, directly or indirectly, holds a minority interest based on GGP's pro-rata economic interest in each such subsidiary or person or, to the extent to which GGP is directly or indirectly (through one or more subsidiaries or persons) liable for a percent of such debt that is greater than such pro-rata economic interest in such subsidiary or person, such larger amount; provided, however, for purposes of calculating Proportionally Consolidated Debt, the debt of certain Brazilian entities shall be deemed to be $110,437,781.

The Reinstatement Adjustment Amount is calculated as the total amount of Corporate Level Debt less the total amount of Corporate Level Debt to be reinstated on the Effective Date. Corporate Level Debt consists of the sum of the TopCo Debtors' unsecured debt, the DIP Facility and other debt (in each case, including any existing accrued and unpaid interest thereon). The DIP Facility is that certain Senior Secured Debtor in Possession Credit, Security and Guaranty Agreement among GGP, as co-borrower, GGPLP, as co-borrower, certain of their subsidiaries, as guarantors, the agent and the lenders party thereto.

The Permitted Claims Amount is as of the Effective Date, an amount equal to the sum of, without duplication,

- the aggregate amount of accrued and unpaid permitted claims that have been allowed (by order of the Bankruptcy Court or pursuant to the terms of the Plan) as of the Effective Date, plus

- the aggregate amount of the reserve to be estimated pursuant to the Plan with respect to accrued and unpaid permitted claims that have not been allowed or disallowed (in each case by order of the Bankruptcy Court or pursuant to the terms of the Plan) as of the Effective Date (the "Reserve"), plus

- the aggregate amount of our setup costs (other than professional fees and disbursements of financial, legal and other advisers and consultants retained in connection with the administration and conduct of Chapter 11 Cases) as of the Effective Date; provided, however, that there shall be no duplication with any amounts otherwise included in Closing Date Net Debt.

Proportionally Consolidated Unrestricted Cash means the consolidated unrestricted cash of GGP less

- all unrestricted cash of subsidiaries of GGP that are not wholly-owned and persons in which GGP, directly or indirectly, owns a minority interest, to the extent such unrestricted cash is included in consolidated unrestricted cash of GGP, plus

- GGP's share of unrestricted cash for each non-wholly owned subsidiary of GGP and persons in which GGP, directly or indirectly, owns a minority interest based on GGP's pro-rata economic interest in each such subsidiary or person; provided, however, for purposes of calculating Proportionally Consolidated Unrestricted Cash (described below), the unrestricted cash of certain Brazilian entities shall be deemed to be $82,000,000, provided, further, that any distributions of unrestricted cash made from the date of the Investment Agreements to the closing by these Brazilian entities to GGP or any of its subsidiaries shall be disregarded for purposes of calculating Proportionally Consolidated Unrestricted Cash.

If Closing Date Net Debt is less than Target Net Debt, then a net debt surplus amount will exist, the amount of which will be calculated as Target Net Debt less Closing Date Net Debt. If Closing Date Net Debt is greater than the Target Net Debt, then a net debt excess amount will exist, the amount of which will be calculated as Closing Date Net Debt less Target Net Debt.

The Spinco Note amount is equal to: (i) if there is a net debt excess amount, then the net debt excess amount plus the amount paid in respect of the Hughes heirs obligations to the extent satisfied with assets of GGP (including cash not paid prior to the Effective Date or shares of common stock of reorganized GGP, but excluding assets to be contributed to Spinco) or (ii) if there is a net debt surplus amount, then the amount paid in respect of the Hughes heirs obligations (to the extent satisfied in assets described in clause (i)) less 80% of the net debt surplus amount; provided, however, that in no event will the Spinco Note amount be less than zero.

To the extent that a Spinco Note is issued on the Effective Date, the principal amount of the Spinco Note is subject to adjustment under certain circumstances described in the Investment Agreements. These adjustments include a reduction in the principal amount (but not below zero) of the Spinco Note by 80% of the aggregate offering premium (as defined below) on the 30th day following the Effective Date and from time to time upon receipt of any offering premium until the last to occur of 45 days after the Effective Date, the settlement date for any shares of our common stock sold to Pershing Square pursuant to the put right described above and the maturity date of the Pershing Square Bridge Note (the "Offering Premium Period"). "Offering Premium" means, with respect to any shares of common stock of reorganized GGP issued for cash on or prior to the Effective Date, together with shares of reorganized GGP common stock issued in certain liquidity issuances completed within the Offering Premium Period, the per share offering price of reorganized GGP common stock issued in the offering (net of all underwriting and other discounts, fees or other compensation and related expenses) less $10.00; multiplied by the number of shares sold.

As disputed permitted claims are resolved and paid, the reorganized GGP board of directors may determine that the remaining amount of the Reserve (an estimated aggregate amount of certain categories of disputed claims) exceeds amounts necessary to pay remaining disputed claims, and if so, as a result of application of the Reserve Surplus Amount (described further below), the Spinco Note will be reduced by the amount of such excess. Finally, to the extent that Spinco is obligated to pay master planned community taxes within 36 months after the Effective Date and is not eligible for indemnification from reorganized GGP due to the Indemnity Cap (described below), then reorganized GGP shall pay the taxes and the Spinco Note amount will be increased by the amount reorganized GGP pays. If a Spinco Note was not issued on the Effective Date, but reorganized GGP pays such taxes, then Spinco will issue a note at that time on the same terms as the Spinco Note.

The Reserve Surplus Amount, which is calculated on a quarterly basis, is equal to the Reserve less (i) the amount of permitted claims originally included in the Reserve, but, as of the time of calculation, resolved and paid less (ii) the amount of Reserve the reorganized GGP board elects to retain with respect to any remaining disputed permitted claims. Any amounts applied to adjust the Spinco Note amount in a prior quarter cannot be applied in subsequent quarters to further reduce the note.

Tax Indemnities

We will enter into a Separation Agreement and Tax Matters Agreement which will include tax-sharing and indemnification provisions with reorganized GGP through which tax liabilities relating to taxable periods before and after the Distribution will be computed and apportioned between reorganized GGP and ourselves, and responsibility for payment of those tax liabilities (including any subsequent adjustments to such tax liabilities) will be allocated between us. In addition, we generally will be responsible for any liabilities, taxes or other charges that are imposed on GGP as a result of the Separation and Distribution (and certain related restructuring transactions) failing to qualify for nonrecognition treatment for U.S. federal (and state and local) income tax purposes, if we are the party responsible for such failure, whether by an action taken before or after the Separation and Distribution. Moreover, although we have agreed to share certain tax liabilities with reorganized GGP pursuant to the aforementioned agreements, we may be liable at law to a taxing authority for some of these tax liabilities and, if GGP were to default on their obligations to us, we would be liable for the entire amount of these liabilities. Accordingly, under certain circumstances, we may be obligated to pay amounts in excess of our allocated share of tax liabilities.

In addition, pursuant to the Investment Agreements, reorganized GGP will indemnify us from and against 93.75% of any and all losses, claims, damages, liabilities and reasonable expenses to which we and our subsidiaries become subject, in each case solely to the extent attributable to certain taxes related to sales of certain assets in our Master Planned Communities segment prior to March 31, 2010, in an amount up to the Indemnity Cap. The Indemnity Cap is calculated as the lesser of $303,750,000 and the Excess Surplus Amount. The Excess Surplus Amount is determined using a complex formula described in the Investment Agreements that includes varying percentages of any Reserve Surplus Amount, Net Debt Surplus Amount and Offering Premium to the extent not used to offset (decrease) the amount of the Spinco Note as provided above. The Excess Surplus Amount is designed to provide value to Spinco in the form of the tax indemnity (up to a maximum amount of $303,750,000) in the event there is value remaining after the Spinco Note is reduced to zero. Based on currently available information, we estimate that the Indemnity Cap will be equal to approximately $123 million.

We will be responsible for the amount of any such taxes in excess of the Indemnity Cap. Reorganized GGP may not have sufficient cash to reimburse us for its share of these taxes described above or the Excess Surplus Amount limitation may substantially reduce reorganized GGP's obligation to reimburse us for these taxes.

Contractual Cash Obligations and Commitments

The following table aggregates our subsequent contractual cash obligations and commitments as of December 31, 2009:

	2010	2011	2012	2013	2014	Subsequent / Other(5)	Total
				(In thousands)			
Long-term debt-principal(1)	$ 48,196	$ 10,130	$ 3,740	$ 4,855	$ 54,975	$ 98,886	$ 220,782
Interest payments(2)	11,064	9,241	8,146	7,894	5,583	23,672	65,600
Ground lease payments	2,802	2,801	2,809	2,825	2,825	105,921	119,983
Purchase obligations(3)	108,437	—	—	—	—	—	108,437
Uncertainty in income taxes, including interest	—	—	—	—	—	66,129	66,129
Other long-term liabilities(4)							—
Total	$ 170,499	$ 22,172	$ 14,695	$ 15,574	$ 63,383	$ 294,608	$ 580,931

(1) Excludes $134.0 million of long-term debt principal that is subject to compromise and non-cash market rate adjustments of $11.9 million that are not subject to compromise, all at December 31, 2009.

(2) Excludes interest payments related to debt that is subject to compromise, market rate adjustments and special improvement districts.

(3) Reflects accrued and incurred construction costs payable. Routine trade payables have been excluded. We expect, or are obligated to incur, development and redevelopment expenditures of $64.7 million from 2010 through 2012.

(4) Other long-term liabilities related to ongoing real estate taxes have not been included in the table as such amounts depend upon future applicable real estate tax rates. Real estate tax expense was $13.8 million in 2009, $10.4 million in 2008, and $9.8 million in 2007.

(5) The remaining uncertainty in income taxes liability for which reasonable estimates about the timing of payments cannot be made is disclosed within the Subsequent/Other column.

In the normal course of business, from time to time, we are involved in legal proceedings relating to the ownership and operations of our properties. See Item 8—"Legal Proceedings."

We lease land or buildings at certain properties from third parties. The leases generally provide us with a right of first refusal in the event of a proposed sale of the property by the landlord. Rental payments are expensed as incurred and have, to the extent applicable, been straight-lined over the term of the lease. Contractual rental expense, including participation rent, was $3.5 million in 2009, $3.7 million in 2008 and $3.6 million in 2007, while the same rent expense excluding amortization of above and below-market ground leases and straight-line rents, as presented in our combined financial statements, was $3.6 million in 2009, $3.8 million in 2008 and $3.6 million in 2007.

Off-Balance Sheet Financing Arrangements

We do not have any off-balance sheet financing arrangements.

Seasonality

Our Master Planned Communities segment is not subject to significant seasonal variations. In addition, revenues from development, redevelopment or sale of property in our Strategic Development segment similarly are not subject to seasonal variations. However, with respect to our Operating Retail Properties within the Strategic Development segment, although we have a year-long temporary leasing program, occupancies for short-term tenants and, therefore, rental income recognized, including overage rent, are higher during the second half of the year. As a result, rental revenue production in this segment is generally highest in the fourth quarter of each year.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. For example, significant estimates and assumptions have been made with respect to the following: fair value (as defined below) of assets for measuring impairment of rental properties, development properties, joint ventures; valuation of debt of emerged entities, useful lives of assets; capitalization of development and leasing costs; provision for income taxes; recoverable amounts of receivables and deferred taxes; initial valuations and related amortization periods of deferred costs and intangibles, and cost ratios and completion percentages used for land sales. Actual results could differ from those estimates.

Critical Accounting Policies

Critical accounting policies are those that are both significant to the overall presentation of our financial condition and results of operations and require management to make difficult, complex or subjective judgments. Our critical accounting policies are those applicable to the following:

Accounting for Reorganization

The accompanying combined financial statements and the combined condensed financial statements of the Predecessor Debtors presented in Item 15 of this registration statement have been prepared in accordance with the generally accepted accounting principles related to financial reporting by entities whose cases are pending under the Bankruptcy Code. Such combined financial statements are also prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the ordinary course of business. Such accounting guidance also provides that if a debtor, or group of debtors, has significant combined assets and liabilities of entities which are not operating under Chapter 11 bankruptcy protection, the debtors and non-debtors should continue to be combined. However, separate disclosure of financial statement information solely relating to the debtor entities should be presented. Additionally, due to the various effective dates in December 2009 of the plans of reorganization for the Predecessor Debtors, a convenience date of December 31, 2009 was elected for the accounting for GGP's emergence from bankruptcy.

Classification of Liabilities Subject to Compromise

Liabilities not subject to compromise include: (1) liabilities incurred after the Petition Date; (2) pre-petition liabilities that the Predecessor Debtors expect to pay in full; and (3) liabilities related to pre-petition contracts that have not been rejected pursuant to section 365 of the Bankruptcy Code. Unsecured liabilities not subject to compromise at December 31, 2009 with respect to the Predecessor Debtors are reflected at the current estimate of the probable amounts to be paid even though the amounts of such unsecured liabilities ultimately to be allowed by the Bankruptcy Court (and therefore paid at 100%) have not yet been determined. With respect to secured liabilities, GAAP bankruptcy guidance provides that Debtor mortgage loans should be recorded at their estimated fair value.

Reorganization Items

Reorganization items under the Chapter 11 Cases are expense or income items that were incurred or realized by the TopCo Debtors as a result of the Chapter 11 Cases and are presented separately in the Combined Statements of Income and Comprehensive Income and in the condensed combined statements of operations of the Predecessors presented in Item 15 of this registration statement. These items include professional fees and similar types of expenses and gains directly related to the Chapter 11 Cases, resulting from activities of the reorganization process, and interest earned on cash accumulated by the TopCo Debtors as a result of the Chapter 11 Cases.

Impairment—Properties, developments in progress and land held for development or redevelopment, including assets to be sold after such development or redevelopment

We review our combined and uncombined real estate assets, including operating properties, land held for development and sale and developments in progress, for potential impairment indicators whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates and assumptions have been made with respect to impairment of long-lived assets. Actual results could differ from these assumptions and estimates.

Impairment indicators for property held for development and sale in our Master Planned Communities segment are assessed separately for each community and include, but are not limited to, significant decreases in sales pace or average selling prices, significant increases in expected land development and construction costs or cancellation rates, and projected losses on expected future sales.

Impairment indicators for pre-development costs, which are typically costs incurred during the beginning stages of a potential development, and developments in progress are assessed by project and include, but are not limited to, significant changes in projected completion dates, revenues or cash flows, development costs, market factors and sustainability of development projects.

Impairment indicators for our Strategic Development segment are assessed separately for each property and include, but are not limited to, significant decreases in real estate property net operating income, significant occupancy percentage changes and strategic determinations as reflected in certain bankruptcy plans of reorganization, either prospective, or filed and confirmed.

If an indicator of potential impairment exists, the asset is tested for recoverability by comparing its carrying amount to the estimated future undiscounted operating cash flow. Significant assumptions used in the estimation of future undiscounted cash flow include, for the master planned communities, estimates of future lot sales, costs to complete and sales pace, and for strategic development properties, future market rents, renewals and capital expenditures. Historical experience in such matters and future economic projections were used to establish such factors. These factors are subject to uncertainty but we do not expect them to vary materially. A real estate asset is considered to be impaired when its carrying amount cannot be recovered through estimated future undiscounted cash flows. To the extent an impairment provision is necessary, the excess of the carrying amount of the asset over its estimated fair value is expensed to operations. In addition, the impairment is allocated proportionately to adjust the carrying amount of the asset. The adjusted carrying amount, which represents the new cost basis of the asset, is depreciated over the remaining useful life of the asset.

Recoverable amounts of receivables and deferred tax assets

We make periodic assessments of the collectibility of receivables (including those resulting from the difference between rental revenue recognized and rents currently due from tenants) and the recoverability of deferred taxes based on a specific review of the risk of loss on specific accounts or amounts. The receivable analysis places particular emphasis on past-due accounts and considers the nature and age of the receivables, the payment history and financial condition of the payee, the basis for any disputes or negotiations with the payee and other information which may impact collectibility. For straight-line rents receivable, the analysis considers the probability of collection of the unbilled deferred rent receivable given our experience regarding such amounts. For deferred tax assets, an assessment of the recoverability of the tax asset considers the current expiration periods of the prior net operating loss carryforwards or other asset and our estimated future taxable income. The resulting estimates of any allowance or reserve related to the recovery of these items is subject to revision as these factors change and is sensitive to the effects of economic and market conditions on such payees.

Capitalization of development and leasing costs

We capitalize the costs of development and leasing activities of our properties. These costs are incurred both at the property location and at the regional and corporate office levels. The amount of capitalization depends, in part, on the identification and justifiable allocation of certain activities to specific projects and leases. Differences in methodologies of cost identification and documentation, as well as differing assumptions as to the time incurred on projects, can yield significant differences in the amounts capitalized and, as a result, the amount of depreciation recognized.

Revenue recognition and related matters

Revenues from land sales are recognized using the full accrual method provided that various criteria relating to the terms of the transactions and our subsequent involvement with the land sold are met. Revenues relating to transactions that do not meet the established criteria are deferred and recognized when the criteria are met or using the installment or cost recovery methods, as appropriate in the circumstances. For land sale transactions in which we are required to perform additional services and incur significant costs after title has passed, revenues and cost of sales are recognized on a percentage of completion basis.

Cost ratios for land sales are determined as a specified percentage of land sales revenues recognized for each master planned community project. The cost ratios used are based on actual costs incurred and estimates of development costs and sales revenues for completion of each project. The ratios are reviewed regularly and revised for changes in sales and cost estimates or development plans. Significant changes in these estimates or development plans, whether due to changes in market conditions or other factors, could result in changes to the cost ratio used for a specific project. The specific identification method is used to determine cost of sales for certain parcels of land, including acquired parcels we do not intend to develop or for which development is complete at the date of acquisition.

Minimum rent revenues are recognized on a straight-lined basis over the terms of the related leases. Minimum rent revenues also include amounts collected from tenants to allow the termination of their leases prior to their scheduled termination dates and accretion related to above and below-market tenant leases on acquired properties. Straight-line rents receivable represents the current net cumulative rents recognized prior to when billed and collectible as provided by the terms of the leases. Overage rent is recognized on an accrual basis once tenant sales exceed contractual tenant lease thresholds. Recoveries from tenants are established in the leases or computed based upon a formula related to real estate taxes, insurance and other shopping center operating expenses and are generally recognized as revenues in the period the related costs are incurred.

Recently Issued Accounting Pronouncements and Developments

As described in the notes to the combined financial statements, new accounting pronouncements have been issued which are effective for the current or subsequent year.

As of January 1, 2009, we adopted a new generally accepted accounting principle related to noncontrolling interests in combined financial statements, which changed the reporting for minority interests in our combined joint ventures by re-characterizing them as noncontrolling interests and re-classifying certain of such minority interests as a component of permanent equity in our combined balance sheets. These principles also changed the presentation of the income allocated to minority interests by re-characterizing it as allocations to noncontrolling interests and re-classifying such income as an adjustment to net income to arrive at net income attributable to common stockholders.

Inflation

Revenue from our operating properties may be impacted by inflation. In addition, inflation poses a risk to us due to the probability of future increases in interest rates in context of development expense.

Quantitative and Qualitative Disclosures about Market Risk

As of December 31, 2009, we had combined debt of $342.8 million (including fair value adjustments of approximately $11.7 million), all of which bears interest at a fixed rate through the maturity date of such debt. Accordingly, we are not currently subject to changes in interest rates with respect to our debt.

We are subject to interest rate risk with respect to our fixed-rate financing in that changes in interest rates will impact the fair value of our fixed-rate financing. For additional information concerning our debt, and management's estimation process to arrive at a fair value of our debt as required by GAAP, reference is made to Item 7, the Liquidity and Capital Resources discussion above and to Notes 2 and 6. At December 31, 2009, the fair value of our debt (excluding amounts subject to compromise) has been estimated for this purpose to be $3.5 million lower than the carrying amount of $208.9 million.

We have not entered into any transactions using derivative commodity instruments.

ITEM 3. PROPERTIES

Our Strategic Development segment is made up of a diverse mix of near, medium and long-term development and redevelopment projects which are currently operating and which include mixed-use development opportunities, regional mall development projects, and redevelopment projects. The table below summarizes Ward Centers, the only mixed-use development opportunity property which, on the basis of current revenues and book value (using 10% as our threshold) we would consider to be significant, as well as for all other Strategic Development mixed-use development, mall development and redevelopment properties in the aggregate. In addition, for Ward Centers, no tenant represents more than 10% of the respective square footage at the property.

			Year Ended December 31, 2009			
Category	Number of Properties	Mall and Freestanding GLA(1)	Average Annual Tenant Sales per Square Foot(2) $	Mall and Other Rental NOI ($ thousands)	Occupancy(3) %	Average In-Place Sum of Rent and Recoverable Common Area Costs per Square Foot(4)
Ward Centers	1	642,165	$ 490.92	$ 21,977	90.6%	$ 43.85
All Other Strategic Development	19	1,552,938	300.09	3,277	85.3%	44.14
Total	20	2,195,103	364.58	$ 25,254	86.9%	44.01

(1) Includes the gross leaseable area of freestanding retail locations that are not attached to the primary complex of buildings that comprise a shopping center, and excludes anchor stores.

(2) Average annual tenant sales per square foot is calculated as the sum of the trailing twelve months comparable square footage for tenants open at least one full year.

(3) Occupancy represents GLOA divided by GLA (Mall shop and freestanding space) for spaces less than 30,000 square feet. "GLOA" represents Gross Leaseable Occupied Area and is the sum of: (a) tenant occupied space under lease, (b) all leases signed, whether or not the space is occupied by a tenant and (c) tenants no longer occupying the space, but still paying rent.

(4) Calculated as base and common area maintenance charges divided by square feet, for Mall tenants only.

For an additional description of our properties, see "Business—Business Overview."

ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of the Effective Date, we expect to have approximately 37.75 million shares of our common stock issued and outstanding. In addition, after giving effect to the issuance of warrants to purchase our common stock to the Plan Sponsors pursuant to the Investment Agreements, the Blackstone Designation and the Plan, we expect to have warrants to purchase 8.0 million shares of our common stock outstanding, subject to adjustment as provided in the warrant agreements. Approximately 6.08 million of the warrants will vest immediately upon issuance and are included in the table below. The remaining 1.92 million of the warrants may only be exercised upon 90 days' prior notice and, therefore, have not been included in the table below. We also expect to have 507,307 shares of our common stock outstanding pursuant to options that may be exercised within 60 days of the Effective Date.

The following table sets forth estimated information regarding the beneficial ownership of our common stock immediately following the Distribution. The table below sets forth such estimated beneficial ownership for:

- each stockholder that is a beneficial owner of more than 5% of the common stock immediately following the consummation of the Plan;
- each nominee for director;
- each named executive officer; and
- all nominees for director and executive officers as a group.

Beneficial ownership of shares is determined under rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power. Except as noted by footnote, and subject to community property laws where applicable, we believe based on the information provided to us that the persons and entities named in the table below have sole voting and investment power with respect to all shares of our common stock shown as beneficially owned by them.

Unless otherwise noted below, the address of the persons and entities listed in the table is c/o Spinco, Inc. .

Name of Beneficial Owner	Beneficial Ownership Number of Shares	Beneficial Ownership Percent of Total
Brookfield Investor(1)	6,257,951(2)	13.7%
Pershing Square(3)	5,486,400(4)	12.1%
General Trust Company, as trustee		
M.B. Capital(5)	5,558,127	12.2%
, Director Nominee		
, Director Nominee		
, Director Nominee		
, Director Nominee		
, Director Nominee		
, Director Nominee		
, Director Nominee		
, Director Nominee		
, Director Nominee		
David Arthur, Interim Chief Executive Officer		
Rael Diamond, Interim Chief Financial Officer	—	—
Steven Ganeless, Interim Chief Operating Officer	—	—
All directors, director nominees and executive officers as a group (persons)		

(1) Pursuant to the Investment Agreement with Brookfield Investor, Brookfield Investor may (and it is expected that it will) designate that some or all of these shares (including warrants to purchase shares of common stock) be issued in the name of one or more entities managed by a controlled affiliate of Brookfield Asset Management Inc. ("BAM"). BAM and such entities (and the investors in such entities) may be deemed to beneficially own some or all of such shares. The following investors in such entities may be deemed to beneficially own more than 5% of the outstanding shares of common stock of the Company in the following amounts: (i) Future Fund Board of Guardians ("FF"), indirectly through a controlled custodian, beneficially owns 1,390,642 common shares and (ii) Stable Investment Corporation ("SIC") beneficially owns 1,506,539 common shares. The address of each such Brookfield-managed entity is c/o REP Investments LLC, Level 22, 135 King Street, Sydney NSW 2000, Australia.

(2) Includes 3.83 million shares of our common stock issuable upon the exercise of Brookfield Investor's warrants.

(3) The shares of our common stock beneficially owned by Pershing Square are, or may be deemed to be, beneficially held by Pershing Square Capital Management, L.P., PS Management GP, LLC and Pershing Square GP, LLC, and William A. Ackman, who collectively share, or may be deemed to share, dispositive and voting power over all shares held for the accounts of Pershing Square, L.P., Pershing Square II, L.P., Pershing Square International V, Ltd. and Pershing Square International, Ltd. (or its wholly-owned subsidiary PSRH, Inc.), which, along with Pershing Square International V, Ltd., is a Cayman Islands exempted company. Certain of the Pershing Square entities also have additional economic exposure to approximately 54,907,669 notional shares of GGP common stock under cash-settled total return swaps, which following the Distribution, are expected to result in economic exposure to approximately 5,397,423 notional shares of our common stock (approximately 12% of our outstanding shares on the Effective Date,

including shares issuable upon exercise of the warrants). The address of Pershing Square is 888 Seventh Avenue, 42nd Floor, New York, New York 10019.

(4) Includes 1.92 million shares of our common stock issuable upon exercise of Pershing Square's warrants.

(5) The shares of M.B. Capital are held directly by General Trust Company ("GTC") solely in its capacity as trustee of trusts, the beneficiaries of which are members of the Bucksbaum family which, for purposes hereof, include the spouses and descendents of Martin, Matthew and Maurice Bucksbaum, including John Bucksbaum, Chairman of the Board of GTC. GTC is a general partner of M.B. Capital Partners III ("M.B. Capital") and M.B. Capital is the sole member of M.B. Capital Units L.L.C. ("Units L.L.C."). GTC has sole beneficial ownership of shares of common stock. GTC, M.B. Capital and Units L.L.C. share beneficial ownership of shares of common stock. GTC and M.B. Capital share beneficial ownership of shares of common stock. The address of M.B. Capital is c/o M.B. Capital Units L.L.C., 300 North Dakota Avenue, Suite 202, Sioux Falls, South Dakota 57104. .

ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS

Our board of directors is responsible for the management of our business.

Board of Directors

Our board of directors currently consists of two members. Upon consummation of the Plan, under the terms of the Investment Agreements, our board of directors will consist of nine members, three of whom will be nominated by Pershing Square and one of whom will be nominated by Brookfield Investor. See "Certain Relationships and Related Transactions, and Director Independence."

The following table sets forth the names, ages, positions and starting date for each of our current directors.

Name	Age	Director Since	Position
Adam Metz	49	2010	Director
Thomas Nolan, Jr.	52	2010	Director

Adam Metz, has served as our Chief Executive Officer since our formation in July 2010. He has also served as Chief Executive Officer of GGP since October 2008, director since November 2005 and Lead Director from June 2007 through October 2008. From late 2002 through October 2008, Mr. Metz was an active partner of Polaris Capital LLC, which is in the business of owning retail real estate assets throughout the United States. Prior to the formation of Polaris Capital, Mr. Metz was Executive Vice President of Rodamco, N.A. from November 2000 through May 2002 when the assets of Rodamco, N.A. were sold. From 1993 to 2000, before it was acquired by Rodamco, Mr. Metz held various positions with Urban Shopping Centers, including Vice President, Chief Financial Officer and President. Mr. Metz has financial expertise and industry experience.

Thomas Nolan, Jr., has served as our President and Chief Operating Officer since our formation in July 2010. He has also served as Chief Operating Officer of GGP since March 2009, President since October 2008 and director since April 2005. Prior to becoming President of GGP, Mr. Nolan was a private real estate investor since February 2008. From July 2004 through February 2008, Mr. Nolan served as a Principal and as Chief Financial Officer of Loreto Bay Company, the developer of the Loreto Bay master planned community in Baja, California. From October 1984 through July 2004, Mr. Nolan held various financial positions with AEW Capital Management, L.P., a national real estate investment advisor, and from 1998 through 2004 he served as Head of Equity Investing and as President and Senior Portfolio Manager of The AEW Partners Funds. Mr. Nolan has financial expertise in various segments of the real estate industry.

The following table sets forth the names, ages and positions of the persons that we expect to serve as our directors as of the Effective Date.

Name	Age	Director Since	Position
		—	Director Nominee
		—	Director Nominee
		—	Director Nominee
		—	Director Nominee
		—	Director Nominee
		—	Director Nominee
		—	Director Nominee
		—	Director Nominee
		—	Director Nominee

Committees of the Board of Directors

Our board of directors has the authority to appoint committees to perform certain management and administration functions. On the Effective Date, our board of directors will have three committees: the audit committee, the compensation committee, the nominating and governance committee.

Audit Committee

The primary purpose of the audit committee is to assist the board of directors' oversight of:

- the integrity of our financial statements;
- our systems of control over financial reporting and disclosure controls and procedures;
- our compliance with legal and regulatory requirements;
- our independent auditors' qualifications and independence;
- the performance of our independent auditors and our internal audit function;
- all related person transactions for potential conflict of interest situations on an ongoing basis;
- the preparation of the annual performance evaluation of the committee; and
- the preparation of the report required to be prepared by the committee pursuant to SEC rules.

On the Effective Date, Messrs. , and will serve on the audit committee. Mr. will serve as chairman of the audit committee and also qualifies as an "audit committee financial expert" as such term has been defined by the SEC in Item 401(h)(2) of Regulation S-K. Our board of directors has affirmatively determined that Messrs. , and meet the definition of "independent directors" for the purposes of serving on the audit committee under applicable SEC and the NYSE rules, and we intend to comply with these independence requirements within the time periods specified.

Compensation Committee

The primary purpose of our compensation committee is to:

- review and approve corporate goals and objectives relevant to compensation of our executive officers and key employees;
- evaluate, determine and approve, then recommend to our board of directors for consideration, the compensation and benefits received by our executive officers and key employees in light of the above goals;
- monitor and review our compensation and benefit plans;
- administer our stock and other incentive compensation plans and programs and prepare recommendations and periodic reports to the board of directors concerning such matters;

- prepare the compensation committee report required by SEC rules to be included in our annual report;
- prepare recommendations and periodic reports to the board of directors as appropriate;
- conduct and prepare an annual performance evaluation of the committee; and
- handle such other matters that are specifically delegated to the compensation committee by our board of directors from time to time.

On the Effective Date, Messrs. , and will serve on the compensation committee, and Mr. will serve as the chairman.

Nominating and Governance Committee

The primary purpose of the nominating and governance committee is to:

- identify and recommend to the board of directors individuals qualified to serve as directors of our company and on committees of the board of directors;
- advise the board of directors with respect to the board of directors composition, procedures and committees;
- develop and recommend to the board of directors a set of corporate governance guidelines and principles applicable to us;
- oversee the evaluation of the board of directors and management;
- conduct and prepare an annual performance evaluation of the committee; and
- review the overall corporate governance of our company and recommend improvements when necessary.

On the Effective Date, Messrs. , and will serve on the nominating and governance committee, and Mr. will serve as the chairman. Our non-control agreement with Pershing Square provides that so long as Pershing Square beneficially owns more than 10% of our outstanding common stock, Pershing Square will support the composition of the nominating and governance committee to consist of a majority of members who are not affiliated with or nominated by Pershing Square.

Code of Business Conduct and Ethics

On the Effective Date, we will have a Code of Business Conduct and Ethics which will apply to all of our employees, officers and directors, including our Chief Executive Officer. Our Code of Business Conduct and Ethics will prohibit conflicts of interest, which are broadly defined to include any situation where a person's private interest interferes in any way with the interests of the company. In addition, this code will prohibit direct or indirect personal loans to executive officers and directors to the extent required by law and stock exchange regulation. The code does not attempt to cover every issue that may arise, but instead will set out basic principles to guide all of our employees, officers and directors. Any waivers of the code for any executive officer, principal accounting officer, or director will only be made by the board of directors or a board of directors committee and, pursuant to this code, will be promptly disclosed to stockholders. The code will include a process and a toll-free telephone number for anonymous reports of potentially inappropriate conduct or potential violations of the code.

Executive Officers

Our current executive officers are Adam Metz, Chief Executive Officer, and Thomas Nolan, Jr., President and Chief Operating Officer. The following table sets forth the names and ages of our executive officers* to be appointed as of the Effective Date.

Name	Age	Position
David Arthur	56	Interim Chief Executive Officer
Rael Diamond	33	Interim Chief Financial Officer
Steven Ganeless	47	Interim Chief Operating Officer

* Appointed pursuant to the Management Agreement.

Biographical information concerning our executive officers as of the Effective Date is set forth below.

David Arthur, has been our interim chief executive officer since August 2010. Mr. Arthur has also been the president and chief executive officer since 2004 of Brookfield Real Estate Opportunity Fund ("BREOF"), a real estate opportunity fund investing in high yield office, industrial and residential real estate opportunities in major markets in the United States and Canada. Brookfield Asset Management is the principal investor and sponsor in BREOF. Mr. Arthur has also been a managing partner in the Real Estate Investments, North American division for Brookfield Asset Management since December 2009. Prior to joining BREOF, Mr. Arthur was President and CEO of Brookfield Properties Ltd., where his responsibilities in Canada, Denver, Minneapolis and southern California included property acquisitions, value-add capital and leasing programs, operations, financing and the sourcing of institutional partners. Mr. Arthur was the founding chairman of Brookfield LePage Johnson Controls, a major Canadian facilities management company and his previous experience includes Cadillac Fairview Corporation Limited, Cambridge Leaseholds and Coscan Development. Mr. Arthur also served as a director on the Brookfield Properties Corporation board until 2004.

Rael Diamond, has been our interim chief financial officer since August 2010 and has been Senior Vice President Finance of Brookfield Asset Management's real estate platform since 2009. In 2008 Mr. Diamond was the Chief Financial Officer of Adira Capital Corporation, a private investment firm. Prior to 2008 he held various finance positions within Brookfield Properties including Vice President & Controller of Brookfield Properties. Prior to 2003 he was with the Financial Advisory Services Group of Deloitte & Touche LLP. He is a Chartered Accountant.

Steven Ganeless, has been our interim chief operating officer since August 2010. Mr. Ganeless joined BREOF as a principal and senior vice president in 2005. Mr. Ganeless has over 18 years of experience in real estate transactions, previously as a principal at Olmstead Properties from 1996 to 1998 and 2002 to 2005 and senior vice president at Vornado Realty Trust from 1998 to 2002, overseeing acquisitions for its Office Division. In addition, Mr. Ganeless held acquisition positions with Town and Country Trust and its predecessor from 1991 to 1994 and LaSalle Partners in 1990. He has been responsible for all aspects of real estate ownership, including acquisition, financing, disposition, development, leasing and management for a broad range of property types.

ITEM 6. EXECUTIVE COMPENSATION

Compensation of Directors

Prior to the Effective Date, we have not and do not intend to pay to our directors any compensation for their board service. Following the Effective Date, our compensation committee will establish the fees that will be paid to directors as compensation for their services as directors. In addition to receiving fees for their services as directors, we expect that our non-employee directors will receive annual equity awards under the Equity Plan that we expect to adopt on the Effective Date.

Compensation of Executive Officers

Prior to the Effective Date, we have not and do not intend to pay our executive officers, who are current employees of GGP, any compensation for their services. All of our executive officers are employees of GGP. Accordingly, their compensation is set and paid by GGP.

We have entered into a Management Agreement with Brookfield Advisors to provide support for our existing master planned community operational team. The Management Agreement has an initial term of six months, which may be extended at our option for another six month term and can be terminated by us upon 45 days written notice or upon the payment of a fee equal to the contractual management fee for the period of time between the actual notice given and 45 days. Brookfield Advisors will provide us with interim executive officers and leadership and oversight until our permanent executive management team can be identified and assume their roles. We will not pay any separate compensation to the individuals serving as interim executive officers pursuant to the Management Agreement. We will pay Brookfield Advisors a monthly fee as compensation for its services under the Management Agreement. See "Certain Relationships and Related Transactions, and Director Independence—Interim Management Agreement."

Compensation Committee Interlocks and Insider Participation

On the Effective Date, none of our executive officers will serve as a member of a compensation committee or board of directors of any other entity that has an executive officer serving as a member of our board of directors.

2010 Equity Incentive Plan

We intend to adopt the Equity Plan in connection with the Separation. The Equity Plan will become effective on the Effective Date. The number of shares of our common stock reserved for issuance under the Equity Plan will be equal to 8% of our outstanding shares on a fully diluted basis as of the Effective Date (including shares issuable under the Plan). The Equity Plan will provide for grants of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, other stock-based awards and performance-based compensation (collectively, "the Awards"). Directors, officers and other employees of us and our subsidiaries and affiliates will be eligible for Awards. The Equity Plan will not be subject to the Employee Retirement Income Security Act of 1974, as amended.

The purpose of the Equity Plan is to provide incentives that will attract, retain and motivate our directors, officers and employees by providing them with either a proprietary interest in our long-term success or compensation based on their performance. The following is a summary of the material terms of the Equity Plan, but does not include all of the provisions of the Equity Plan.

Administration

The Equity Plan will be administered by the compensation committee of our Board of Directors or any committee designated by our Board of Directors to administer the Equity Plan. The administrator will be empowered to determine the form, amount and other terms and conditions of Awards, clarify, construe or resolve any ambiguity in any provision of the Equity Plan or any Award agreement and adopt such rules and guidelines for administering the Equity Plan as it deems necessary or proper. All actions, interpretations and determinations by the administrator will be final and binding.

Shares Available

The Equity Plan will make available the number of shares of our common stock described above, subject to adjustments. In the event that any outstanding Award expires or terminates without the issuance of shares or is otherwise settled for cash, the shares allocable to such Award, to the extent of such expiration, termination or settlement for cash, will again be available for issuance.

Eligibility for Participation

Members of our Board of Directors, as well as officers and employees of us and our subsidiaries and affiliates will be eligible to participate in the Equity Plan. The selection of participants will be within the sole discretion of the administrator.

Types of Awards

The Equity Plan will provide for the grant of nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, other stock-based awards and performance-based compensation. The administrator will determine the terms and conditions of each Award, including the number of shares subject to each Award, the vesting terms, and the purchase price. Awards may be made in assumption of or in substitution for outstanding Awards previously granted by us or our affiliates, or a company acquired by us or with which we combine.

Award Agreement

Awards granted under the Equity Plan will be evidenced by Award agreements that provide additional terms and conditions associated with the Awards, as determined by the administrator in its discretion. In the event of any conflict between the provisions of the Equity Plan and any such Award agreement, the provisions of the Equity Plan will control.

Options

An option granted under the Equity Plan permits a participant to purchase from us a stated number of shares at an exercise price established by the administrator. Subject to the terms of the Equity Plan, the terms and conditions of any option will be determined by the administrator. Options will be designated as either nonqualified stock options or incentive stock options. An option granted as an incentive stock option will, to the extent it fails to qualify as an incentive stock option, be treated as a nonqualified option. The exercise price of an option may not be less than the fair market value of a share of our common stock on the date of grant. The term of each option will be determined prior to the date of grant, but may not exceed ten years.

Stock Appreciation Rights

A stock appreciation right granted under the Equity Plan entitles the holder to receive, upon its exercise, the excess of the fair market value of a specified number of shares of our common stock on the date of exercise over the grant price of the stock appreciation right. Payment may be in the form of cash, shares of our common stock, other property or any combination thereof. Subject to the terms of the Equity Plan, the terms and conditions of any stock appreciation right will be determined by the administrator.

Restricted Stock

An Award of restricted stock granted under the Equity Plan is a grant of a specified number of shares of our common stock, which are subject to forfeiture upon the occurrence of specified events. Each Award agreement evidencing a restricted stock grant will specify the period of restriction, the conditions under which the restricted stock may be forfeited to us and such other provisions as the administrator may determine, subject to the terms of the Equity Plan.

Other Stock-Based Awards

The administrator may grant Awards of shares of our common stock and Awards that are valued, in whole or in part, by reference to our common stock. Such Awards will be in such form and subject to such terms and conditions as the administrator may determine, including, the right to receive one or more shares of our common stock (or the equivalent cash value of such stock) upon the completion of a specified period of service, the occurrence of an event and/or the attainment of performance objectives. Subject to the provisions of the Equity Plan, the administrator will determine whether such other stock-based awards will be settled in cash, shares of our common stock or a combination of cash and such shares, and all other terms and conditions of such Awards.

Performance-Based Compensation

To the extent permitted by Section 162(m) of the Internal Revenue Code, or the Code, the administrator may design any Award so that the amounts or shares payable thereunder are treated as "qualified performance-based compensation" within the meaning of Section 162(m) of the Code. The grant, vesting, crediting and/or payment of performance-based compensation will be based or conditioned on the achievement of objective performance goals established in writing by the compensation committee of our Board of Directors. Performance goals may be based on one or more of the following measures:

- consolidated earnings before or after taxes (including earnings before interest, taxes, depreciation and amortization);
- net income;
- operating income;
- earnings per Share;
- book value per Share;
- return on shareholders' equity;
- expense management;
- return on investment;
- improvements in capital structure;
- profitability of an identifiable business unit or product;
- maintenance or improvement of profit margins;
- stock price;
- market share;
- revenues or sales;
- costs;
- cash flow;
- working capital;
- return on assets;
- store openings or refurbishment plans;
- staff training; and
- corporate social responsibility policy implementation.

Transferability

Unless otherwise determined by the administrator, Awards may not be transferred by a participant except in the event of death. Any permitted transfer of the Awards to heirs or legatees of a participant will not be effective unless the administrator has been furnished with written notice thereof and a copy of such evidence as the administrator may deem necessary to establish the validity of the transfer.

The administrator may impose such transfer restrictions on any shares received in connection with an Award as it may deem advisable or desirable. These restrictions may include a requirement that the participant hold the shares received for a specified period of time or a requirement that a participant represent and warrant in writing that the participant is acquiring the shares for investment and without any present intention to sell or distribute such shares.

Stockholder Rights

Except as otherwise provided in the applicable Award agreement or with respect to Awards of restricted stock, a participant will have no rights as a stockholder with respect to shares of our common stock covered by any Award until the participant becomes the record holder of such shares. Participants holding Awards or restricted stock will have the right to vote and receive dividends with respect to the restricted stock, unless otherwise provided in the applicable Award Agreement.

Adjustment of Awards

In the event of a corporate event or transaction such as a recapitalization, in order to prevent dilution or enlargement of participants' rights under the Equity Plan, the administrator will make certain adjustments to Awards, including, in its sole discretion, substitution or adjustment of the number and kind of shares that may be issued under the Equity Plan or under particular Awards, the exercise price or purchase price applicable to outstanding Awards, and other value determinations applicable to the Equity Plan or outstanding Awards.

In the event we experience a change in control, the administrator may make adjustments to the terms and conditions of outstanding Awards, including, acceleration of vesting and exercisability of Awards, substitution of Awards with substantially similar Awards and cancellation of Awards for fair value.

Amendment and Termination

The administrator may amend or terminate the Equity Plan or any Award agreement at any time. However, no amendment or termination is permitted without shareholder approval if such approval is necessary to comply with any tax or regulatory requirement and no amendment or termination is permitted without the consent of the participants if such amendment or termination would materially diminish the participants' rights under the Equity Plan or any Award.

No Awards will be granted more than ten years after the Effective Date.

ITEM 7. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Board of Directors

Pursuant to the Investment Agreements, our board of directors will have nine members, one of whom will be nominated by Brookfield Investor and three of whom will be nominated by Pershing Square. Brookfield Investor's right to nominate one director will continue so long as Brookfield Investor beneficially owns at least 10% of our common stock on a fully diluted basis. Pershing Square's right to nominate three directors would continue so long as Pershing Square and its affiliates have economic ownership of at least 17.5% of our common stock on a fully diluted basis and two directors for so long as Pershing Square and its affiliates beneficially own at least 10%, but have economic ownership less than 17.5%, of our common stock on a fully diluted basis. Following such time as Pershing Square and its affiliates beneficially own less than 10% of our common stock on a fully diluted basis, Pershing Square will no longer have the right to nominate directors for election to our board of directors. Based on Pershing Square's and its affiliates' expected beneficial ownership and economic interest resulting from Pershing Square's and its affiliates' economic interest in swaps relating to GGP's common stock, on the Effective Date, Pershing Square will be entitled to nominate three directors.

Director Independence

Our board of directors has affirmatively determined that are independent directors under the applicable rules of the NYSE and as such term is defined in Rule 10A-3(b)(1) under the Exchange Act.

Non-Control Agreement

We will enter into a non-control agreement with Pershing Square to, among other things (a) cap Pershing Square's economic ownership at 40% of our common stock, (b) require Pershing Square, with respect to any matter our board of directors has recommended our shareholders not approve, to vote any of its shares in excess of 30% of our common stock against such matter or in proportion to other shareholders, (c) fix the size of, the minimum number of independent directors on, and the composition of the nominating committee of, our board of directors, (d) set forth required approvals for (i) certain change of control transactions and related-party transactions involving Pershing Square and (ii) Pershing Square to increase its percentage ownership of our common stock above an agreed upon cap, and (e) restrict certain transfers of our common stock by Pershing Square. Fairholme and Brookfield Investor will not enter into similar non-control agreements.

Warrants

GGP issued Interim Warrants to Brookfield Investor and Fairholme to purchase GGP common stock on May 10, 2010 pursuant to the Investment Agreements. Upon the effectiveness of the Plan, the Interim Warrants will be cancelled and terminate in accordance with their terms. If the Investment Agreements are consummated, on the Effective Date and after giving effect to the Blackstone Designation, we will issue to (i) Brookfield Investor warrants to purchase approximately 3.83 million shares of our common stock, (ii) Fairholme warrants to purchase approximately 1.92 million shares of our common stock, (iii) Pershing Square warrants to purchase up to approximately 1.92 million shares of our common stock and (iv) Blackstone warrants to purchase approximately 0.33 million shares of our common stock, in each case, with an initial exercise price of $50.00 per share. The above exercise price will be subject to adjustment as provided in the related warrant agreements. The warrants issued to Pershing Square and to Fairholme can only be exercised on a net share basis. Each warrant will have a term of seven years from the closing date. The warrants will, (a) be subject to anti-dilution adjustments in connection with dividends and certain other events, (b) provide for a right to require that the warrants be cashed out at a Black-Scholes-based formula value upon certain change of control events and (c) provide registration rights.

Interim Management Agreement

We have entered into a Management Agreement with Brookfield Advisors, an affiliate of the Brookfield Investor. The Management Agreement has an initial term of six months, which can be extended at our option, subject to good faith negotiations with respect to certain terms, for another six month term and can be terminated by us upon 45 days written notice or upon the payment of a fee equal to the contractual management fee for the period of time between the actual notice given and 45 days.

We will pay Brookfield Advisors a monthly fee as compensation for its services under the Management Agreement. We will not pay any separate compensation to the individuals serving as interim executive officers pursuant to the Management Agreement. The management fee payable to

Brookfield Advisors pursuant to the Management Agreement will be $500,000 per month, none of which will be used to compensate our interim executive officers, until the end of the six-month term. If the term is renewed, the monthly fee will be agreed to by Brookfield Advisors and us, negotiating in good faith, taking into account the management compensation structure (including related incentives) that Brookfield Advisors is then receiving from other non-controlled companies of similar size and complexity for which it provides similar management services. We will reimburse Brookfield Advisors for all reasonable out-of-pocket fees, costs and expenses owed to any third party in connection with the provision of services under the Management Agreement and all sales, use, value added, goods and services, withholding or other taxes, duties or governmental charges imposed by reason of the Management Agreement (other than income and similar taxes that are personal to Brookfield Advisors).

The Management Agreement has standard indemnification and limitation of liability provisions that require us to indemnify Brookfield Advisors other than for Brookfield Advisors' bad faith, fraud, willful misconduct, gross negligence or, in the case of a criminal matter, conduct undertaken with the knowledge that the conduct was unlawful. Brookfield Advisors' maximum liability for breaches of the Management Agreement is equal to amounts previously paid by us in the two most recent calendar years. Brookfield Advisors will provide us with interim executive officers, who may be replaced by Brookfield Advisors with similarly qualified individuals upon not less than ten business days' notice, until our permanent executive management team can be identified and assume their roles.

The services provided by Brookfield Advisors are expected to include, without limitation:

- such services as are reasonably necessary or requested by our board of directors in order to accomplish the Separation;
- overall strategic advice;
- project development oversight;
- overseeing preparation and implementation of our annual business plan;
- recommendations and oversight regarding financing requirements;
- making available qualified individuals to act as senior executives;
- planning and oversight with respect to post-Separation transition services;
- advice and assistance regarding establishment and implementation of internal controls;
- community and investor relations oversight; and
- advising and assisting with respect to listing of our stock on a national securities exchange.

Under the Management Agreement, Brookfield Advisors is permitted to subcontract any or all of the services to be provided pursuant to the Management Agreement to any of its affiliates and any third parties with Spinco's consent. We will reimburse Brookfield Advisors for all fees, costs and expenses charged by third party subcontractors. We understand that Brookfield Advisors intends to subcontract certain services to TPMC Realty Corporation, a real estate management company.

Letter Agreements with Plan Sponsors

We have entered into letter agreements with each of the Plan Sponsors to memorialize the board appointment rights, where applicable, and other rights and obligations contained in the Investment Agreements.

Registration Rights Agreements

Plan Sponsors

We intend to enter into registration rights agreements with each of the Plan Sponsors with respect to all registrable securities issued to or held by such Plan Sponsor. The registration rights agreements will provide for demand rights and customary piggyback registration rights.

M.B. Capital

We intend to enter into a registration rights agreement with M.B. Capital with respect to all registrable securities issued to or held by M.B. Capital. The registration rights agreement will provide for demand rights and customary piggyback registration rights.

Related Party Transaction Policy

We will adopt a written policy relating to the approval of related person transactions. Our audit committee will review and approve or ratify all relationships and related person transactions between us and (i) our directors, director nominees, executive officers or their immediate family members, (ii) any 5% record or beneficial owner of our common stock or (iii) any immediate family member of any person specified in (i) and (ii) above. Our controller will be primarily responsible for the development and implementation of processes and controls to obtain information from our directors and executive officers with respect to related party transactions and for determining, based on the facts and circumstances, whether we or a related person have a direct or indirect material interest in the transaction.

As set forth in the related person transaction policy, in the course of its review and approval or ratification of a related party transaction, the committee will consider:

- the nature of the related person's interest in the transaction;
- the availability of other sources of comparable products or services;
- the material terms of the transaction, including, without limitation, the amount and type of transaction; and
- the importance of the transaction to us.

Any member of the audit committee who is a related person with respect to a transaction under review will not be permitted to participate in the discussions or approval or ratification of the transaction. However, such member of the audit committee will provide all material information concerning the transaction to the audit committee.

ITEM 8. LEGAL PROCEEDINGS

We are not currently involved in any material pending legal proceedings nor, to our knowledge, is any material legal proceeding currently threatened against us.

ITEM 9. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

There is currently no established public market for our common stock. On the Effective Date, there will be approximately 37.75 million shares of our outstanding common stock, as well as warrants to purchase up to 8,000,000 shares of our common stock (subject to adjustment pursuant to the terms thereof) and 507,307 shares of our common stock issuable upon the exercise of the Spinco Options. We have filed an application to list our common stock on the NYSE under the symbol "   ".

Stockholders

1,000 shares of our common stock are currently outstanding.

Shares Eligible for Future Sale

Of the approximate 37.75 million shares of our common stock that we expect to be outstanding on the Effective Date, an aggregate of   shares will be freely tradable without restriction in the public market unless the shares are held by "affiliates," as that term is defined in Rule 144(a)(1) under the Securities Act of 1933, as amended (the "Securities Act"). For purposes of Rule 144, an "affiliate" of an issuer is a person that, directly or indirectly through one or more intermediaries, controls, or is controlled by or is under common control with, the issuer. The freely tradable shares will be issued in connection with the Plan (such shares having been issued in a transaction exempt from registration under Section 1145 of the Bankruptcy Code).

The remaining shares outstanding will be "restricted securities" under the Securities Act of 1933 and may be sold in the public market upon the expiration of the holding periods under Rule 144, described below, subject to the volume, manner of sale and other limitations of Rule 144, as applicable. In general, under Rule 144 as currently in effect, a person who has beneficially owned shares for at least one year, including an "affiliate," is entitled to sell, within any three-month period, a number of shares that does not exceed the greater of:

- 1% of the then outstanding shares; or
- the average weekly trading volume during the four calendar weeks preceding filing of the notice of the sale of shares of common stock.

Rule 144 also provides that a person who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has for at least six months beneficially owned shares of our common stock that are restricted securities, will be entitled to freely sell such shares of our common stock subject only to the availability of current public information regarding us. A person who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned for at least one year shares of our common stock that are restricted securities, will be entitled to freely sell such shares of our common stock under Rule 144 without regard to the current public information requirements of Rule 144.

In addition, there are   shares subject to registration rights agreements.

Lockup Restrictions

Brookfield Investor is subject to lock-up restrictions on its ability to sell, transfer or dispose of its shares of our common stock and its warrants to acquire our common stock for 18 months following the Effective Date (the "lock-up period"). In the first six months of the lock-up period, Brookfield Investor may not sell, transfer or dispose of any shares of our common stock or warrants. In the second six months of the lock-up period, Brookfield Investor may sell, transfer or dispose of up to an aggregate of 8.25% of its shares of our common stock or warrants. In the final six months of the lock-up period, Brookfield Investor may sell, transfer or dispose of up to an aggregate of 16.5% of its shares of our common stock and up to an aggregate of 16.5% of its warrants (in each case including any shares transferred or sold during the second six months of the lock-up period). After 18 months following the Effective Date, Brookfield Investor will not be restricted from any transfer of its shares of our common stock and warrants.

Dividends

As we are a newly formed company, we have not declared or paid cash dividends on our common stock. We do not anticipate paying any cash dividends on our capital stock in the foreseeable future. We expect to retain all available funds and any future earnings to reduce debt and fund the development and growth of our business.

Any future determination to pay dividends will be at the discretion of our board of directors and will take into account:

- restrictions in our debt instruments;
- general economic business conditions;
- our financial condition and results of operations;
- need for cash to fund development costs;
- the ability of our operating subsidiaries to pay dividends and make distributions to us; and
- such other factors as our board of directors may deem relevant.

ITEM 10. RECENT SALES OF UNREGISTERED SECURITIES

On July 1, 2010, we issued 1,000 shares to GGPLP, our parent company. The shares were issued in a private placement exempt from registration pursuant to 4(2) of the Securities Act.

ITEM 11. DESCRIPTION OF REGISTRANT'S SECURITIES TO BE REGISTERED

Our certificate of incorporation and bylaws will be amended and restated prior to the Distribution. The following is a summary of the material terms of our capital stock that will be contained in our amended and restated certificate of incorporation and bylaws, and is qualified in its entirety by reference to these documents. You should refer to our amended and restated certificate of incorporation and bylaws, which are included as exhibits to the registration statement of which this registration statement is a part, along with the applicable provisions of Delaware law.

General

We were incorporated as a Delaware corporation on July 1, 2010. On the Effective Date, our authorized capital stock will consist of 150 million shares of common stock, $0.01 par value per share, and 50 million shares of preferred stock, $0.01 par value per share. Our board of directors may establish the rights and preferences of the preferred stock from time to time. On the Effective Date, we expect that approximately 37,750,000 shares of our common stock will be issued and outstanding and that no shares of preferred stock will be issued and outstanding.

Common Stock

Each holder of our common stock is entitled to one vote for each share on all matters to be voted upon by the common stockholders, and there are no cumulative voting rights. Subject to any preferential rights of any outstanding preferred stock, holders of our common stock will be entitled to receive ratably the dividends, if any, as may be declared from time to time by our board of directors out of funds legally available for that purpose. If there is a liquidation, dissolution or winding up of our company, holders of our common stock would be entitled to ratable distribution of our assets remaining after the payment in full of liabilities and any preferential rights of any outstanding preferred stock.

Under the Investment Agreements, for so long as a Plan Sponsor and its affiliates beneficially own 5% of our common stock on a fully diluted basis, such Plan Sponsor will be provided with preemptive rights to purchase our common stock as necessary to allow them to maintain their proportional ownership interest in us on a fully diluted basis, even though other holders of outstanding shares of our common stock will not have such preemptive rights. Any such offering could dilute the holders of outstanding shares of our common stock's investment in us. Other than the contractual preemptive rights of the Plan Sponsors, there are no preemptive or conversion rights or other subscription rights, and there are no redemption or sinking fund provisions applicable to the common stock. After the Distribution, all outstanding shares of our common stock will be fully paid and non-assessable. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Preferred Stock

Our amended and restated certificate of incorporation will provide that our board of directors is authorized to provide for the issuance of shares of preferred stock in one or more series and, by filing a certificate of designations pursuant to the applicable law of the State of Delaware (hereinafter referred to as a "Preferred Stock Designation"), to establish from time to time for each such series the number of shares to be included in each such series and to fix the designations, powers, rights and preferences of the shares of each such series, and the qualifications, limitations and restrictions thereof. The authority of the board of directors with respect to each series of Preferred Stock includes, but is not limited to, determination of the following:

- the designation of the series, which may be by distinguishing number, letter or title;
- the number of shares of the series, which number the board of directors may thereafter (except where otherwise provided in the Preferred Stock Designation) increase or decrease (but not below the number of shares thereof then outstanding);
- whether dividends, if any, shall be paid, and, if paid, the date or dates upon which, or other times at which, such dividends shall be payable, whether such dividends shall be cumulative or noncumulative, the rate of such dividends (which may be variable) and the relative preference in payment of dividends of such series;
- the redemption provisions and price or prices, if any, for shares of the series;
- the terms and amounts of any sinking fund or similar fund provided for the purchase or redemption of shares of the series;
- the amounts payable on shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of our corporation;
- whether the shares of the series shall be convertible into shares of any other class or series, or any other security, of our corporation or any other corporation, and, if so, the specification of such other class or series of such other security, the conversion price or prices, or rate or rates, any adjustments thereto, the date or dates on which such shares shall be convertible and all other terms and conditions upon which such conversion may be made;
- restrictions on the issuance of shares of the same series or of any other class or series; and
- the voting rights, if any, of the holders of shares of the series.

Warrants

Pursuant to the Investment Agreements, upon the closing of the investments by each of the Plan Sponsors and after giving effect to the Blackstone Designation, we will issue:

- to Brookfield Investor warrants to purchase up to approximately 3.83 million shares of our common stock with an initial exercise price of $50.00 per share;
- to Fairholme warrants to purchase up to approximately 1.92 million shares of our common stock with an initial exercise price of $50.00 per share;
- to Pershing Square warrants to purchase up to approximately 1.92 million shares of our common stock with an initial exercise price of $50.00 per share; and
- to Blackstone warrants to purchase up to 0.33 million shares of our common stock with an initial exercise price of $50.00 per share.

The exercise prices of these warrants will be subject to adjustment as provided in the related warrant agreements. The warrants issued to each of Brookfield Investor, Pershing Square and Blackstone will be immediately exercisable; the warrants issuable to Fairholme will be exercisable upon 90 days' prior notice. Each warrant will have a term of seven years from the closing date of the investments.

Section 382 Restrictions

Our certificate of incorporation will impose certain restrictions on the direct or indirect transferability of our securities to assist in the preservation of our valuable tax attributes (generally consisting of (1) approximately $400 million of suspended federal income tax deductions and (2) a relatively high federal income tax basis in our assets), including, subject to certain exceptions, that until the earlier of such time as our board of directors determines that it is no longer in our best interests to continue to impose such restrictions or the date that is three years after the Effective Date (i) no person or entity may acquire or accumulate the Threshold Percentage or more (as determined under tax law principles governing the application of section 382 of the Code) of our securities, and (ii) no person owning directly or indirectly (as determined under such tax law principles) on the Effective Date, after giving effect to the Plan, the Threshold Percentage or more of our securities may acquire additional securities of ours. Notwithstanding the contemplated restrictions in our certificate of incorporation, no assurance can be given regarding our ability to preserve our tax attributes. Threshold Percentage means, in the case of (i) Spinco common stock, 4.99% of the number of outstanding shares of Spinco common stock and (ii) any other class of equity of Spinco, 4.99% of each such class.

Anti-Takeover Effects of Various Provisions of Delaware Law and our Certificate of Incorporation and Bylaws

Provisions of the DGCL and our amended and restated certificate of incorporation and bylaws could make it more difficult to acquire us by means of a tender offer, a proxy contest or otherwise, or to remove incumbent officers and directors. These provisions, summarized below, are expected to discourage certain types of coercive takeover practices and takeover bids that our board of directors may consider inadequate and to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of increased protection of our ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging takeover or acquisition proposals because, among other things, negotiation of these proposals could result in improved terms for our stockholders.

Delaware Anti-Takeover Statute. We are subject to Section 203 of the DGCL, an anti-takeover statute. In general, Section 203 of the DGCL prohibits a publicly-held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years following the time the person became an interested stockholder, unless the business combination or the acquisition of shares that resulted in a stockholder becoming an interested stockholder is approved in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years prior to the determination of interested stockholder status did own) 15% or more of a corporation's voting stock. The existence of this provision would be expected to have an anti-takeover effect with respect to transactions not approved in advance by the board of directors, including discouraging attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

Size of Board and Vacancies. Our bylaws provide that the number of directors on our board of directors will be fixed exclusively by our board of directors. Subject to the rights of the holders of any series of preferred stock then outstanding, newly created directorships resulting from any increase in our authorized number of directors will be filled by a majority of our board of directors then in office, provided that a majority of the entire board of directors, or a quorum, unless the board of directors otherwise determines that such directorships should be filled by the affirmative vote of the stockholders of record of at least a majority of the voting stock, is present and any vacancies in our board of directors resulting from death, resignation, retirement, disqualification, removal from office or other cause will be filled generally, subject to the rights of certain parties, by the majority vote of our remaining directors in office, even if less than a quorum is present.

Special Stockholder Meetings. Under our amended and restated certificate of incorporation and bylaws, our board of directors may call special meetings of our stockholders as well as the Secretary upon written request by stockholders who together hold 15% or more of the voting power of the issued and outstanding shares of the capital stock of our corporation entitled to vote generally on the election of directors.

Elimination of Stockholder Action by Written Consent. Our amended and restated certificate of incorporation and bylaws expressly eliminate the right of our stockholders to act by written consent other than by unanimous written consent. Stockholder action must take place at the annual or a special meeting of our stockholders.

Requirements for Advance Notification of Stockholder Nominations and Proposals. Our amended and restated bylaws establish advance notice procedures with respect to stockholder proposals and nomination of candidates for election as directors other than nominations made by or at the direction of our board of directors or a committee of our board of directors.

No Cumulative Voting. The DGCL provides that stockholders are denied the right to cumulate votes in the election of directors unless our certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation will not provide for cumulative voting.

Authorized but Unissued Shares.

Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without your approval. We may use additional shares for a variety of purposes, including future public offerings to raise additional capital, to fund acquisitions and as employee compensation. The existence of authorized but unissued shares of common stock and preferred stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Transfer Agent and Registrar

The transfer agent and registrar for the common stock is BNY Mellon, New York, New York.

ITEM 12. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Limitations on Liability, Indemnification of Officers and Directors and Insurance

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties as directors. Our amended and restated certificate of incorporation will include provisions that indemnify, to the fullest extent allowable under the DGCL, the personal liability of directors or officers for monetary damages for actions taken as a director or officer of us, or for serving at our request as a director or officer or another position at another corporation or enterprise, as the case may be. Our amended and restated certificate of incorporation will also provide that it must indemnify and advance reasonable expenses to our directors and officers, subject to our receipt of an undertaking from the indemnified party as may be required under the DGCL. We intend to enter into indemnification agreements with each of our directors and certain officers. These agreements, among other things, require us to indemnify each director and certain officers to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys' fees, judgments, fines and settlement amounts reasonably incurred by the director or officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person's services as a director or executive officer. We are also expressly authorized to carry directors' and officers' insurance to protect us, our directors, officers and certain employees for some liabilities. The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit us and our stockholders. However, this provision does not limit or eliminate our rights, or those of any stockholder, to seek non-monetary relief such as injunction or rescission in the event of a breach of a director's duty of care. The provisions will not alter the liability of directors under the federal securities laws. In addition, your investment may be adversely affected to the extent that, in a class action or direct suit, we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. There is currently no pending material litigation or proceeding against any of our directors, officers or employees for which indemnification is sought.

ITEM 13. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See Item 15—"Financial Statements and Exhibits."

ITEM 14. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 15. FINANCIAL STATEMENTS AND EXHIBITS

(a) The following financial statements are being filed as part of this registration statement.

TWLDC Holdings, L.P. Audited Consolidated Financial Statements

We own a 52.5% economic interest in The Woodlands Partnerships. We have included as an exhibit to this report on Form 10 the consolidated financial statements of TWLDC Holdings, L.P. as such partnership, either through majority ownership or as primary beneficiary of variable interest entities, consolidates all of The Woodlands Partnerships and the operations of The Woodlands Partnerships are significant to our operations for the fiscal years ending December 31, 2008 and 2007. The Woodlands Partnerships include the venture developing the master planned community known as The Woodlands (whose operations are in the master planned community segment) and also hold the beneficial interests in other commercial real estate within the Woodlands community, including the conference center, (whose operations are reflected in the Strategic Development segment), all located near Houston, Texas. The remaining 47.5% economic interests in The Woodlands Partnerships are owned by Morgan Stanley Real Estate Fund, L.P., a majority owned subsidiary of which provides all the management services for The Woodlands Partnerships.

(b) Exhibits required by Item 601 of Regulation S-K.

Exhibit No.	Description of Exhibit
2.1	Form of Separation Agreement between Spinco, Inc. and General Growth Properties, Inc., dated , 2010.
3.1*	Form of Amended and Restated Certificate of Incorporation of Spinco, Inc.
3.2*	Form of Amended and Restated Bylaws of Spinco, Inc., dated , 2010.
4.1*	Form of Registration Rights Agreement dated , 2010, between Spinco, Inc. and Brookfield Investor.
4.2*	Form of Registration Rights Agreement dated , 2010, between Spinco, Inc. and Fairholme.
4.3*	Form of Registration Rights Agreement dated , 2010, between Spinco, Inc. and Pershing Square.
4.4*	Form of Registration Rights Agreement dated , 2010, between Spinco, Inc., M.B. Capital Partners, M.B. Capital Partners III and M.B. Capital Units LLC.
10.1	Form of Transition Services Agreement between Spinco, Inc. and General Growth Properties, Inc., dated , 2010.
10.2*	Form of Tax Matters Agreement between Spinco, Inc. and General Growth Properties, Inc., dated , 2010.
10.3*	Form of Non-Control Agreement among Spinco, Inc. and Pershing Square Capital management, L.P., dated , 2010.
10.4	Management Services Agreement between Spinco, Inc. and Brookfield Advisors, dated August 6, 2010.
10.5*	Form of Indemnification Agreement for officers and directors.
10.6*	Form of Warrant Agreement dated , 2010, between Spinco, Inc. and Brookfield Investor.
10.7*	Form of Warrant Agreement dated , 2010, between Spinco, Inc. and Fairholme.
10.8*	Form of Warrant Agreement dated , 2010, between Spinco, Inc. and Pershing Square.
10.9*	Form of Warrant Agreement dated , 2010 between Spinco Inc. and Blackstone.
10.10*	Form of 2010 Equity Incentive Plan for officers, directors and other employees.
10.11*	Form of Letter Agreement dated , 2010, between Spinco, Inc. and Brookfield Investor.
10.12*	Form of Letter Agreement dated , 2010, between Spinco, Inc. and Fairholme.
10.13*	Form of Letter Agreement dated , 2010, between Spinco, Inc. and Pershing Square.
11.1*	Statement re computation of per share earnings.
21.1	List of Subsidiaries.

* To be filed by amendment.

SPINCO, INC.

COMBINED BALANCE SHEETS

(UNAUDITED)

	June 30, 2010	December 31, 2009
	(In thousands)	
Assets:		
Investment in real estate:		
Land	$ 194,379	$ 194,700
Buildings and equipment	450,719	451,279
Less accumulated depreciation	(91,553)	(85,639)
Developments in progress	256,289	258,807
Net property and equipment	809,834	819,147
Investment in and loans to/from Real Estate Affiliates	145,738	140,558
Investment property and property held for development and sale	1,789,191	1,782,470
Net investment in real estate	2,744,763	2,742,175
Cash and cash equivalents	2,982	3,204
Accounts and notes receivable, net	11,152	17,359
Deferred expenses, net	6,996	7,444
Prepaid expenses and other assets	140,257	135,045
Total assets	$ 2,906,150	$ 2,905,227
Liabilities and Equity:		
Liabilities not subject to compromise:		
Mortgages, notes and loans payable	$ 207,646	$ 208,860
Deferred tax liabilities	726,916	782,817
Accounts payable and accrued expenses	217,327	134,191
Liabilities not subject to compromise	1,151,889	1,125,868
Liabilities subject to compromise	233,623	275,839
Total liabilities	1,385,512	1,401,707
Equity:		
GGP Equity	1,521,448	1,504,364
Accumulated other comprehensive loss	(1,645)	(1,744)
Total GGP equity	1,519,803	1,502,620
Noncontrolling interests in Combined Real Estate Affiliates	835	900
Total equity	1,520,638	1,503,520
Total liabilities and equity	$ 2,906,150	$ 2,905,227

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

SPINCO, INC.

COMBINED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(UNAUDITED)

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
	(In thousands)			
Revenues:				
Minimum rents	$ 16,969	$ 17,169	$ 34,000	$ 33,517
Tenant recoveries	4,433	4,629	9,252	9,782
Overage rents	452	284	912	850
Land sales	7,037	22,448	12,107	31,434
Other	1,738	1,622	3,148	(463)
Total revenues	30,629	46,152	59,419	75,120
Expenses:				
Real estate taxes	4,051	3,407	7,029	6,282
Property maintenance costs	1,439	1,125	3,283	2,228
Marketing	250	182	507	460
Other property operating costs	9,479	7,287	17,694	16,020
Land sales operations	10,780	21,845	20,597	32,454
Provision for doubtful accounts	256	607	357	1,212
Property management and other costs	4,861	4,276	8,996	8,431
Strategic initiatives	—	2,054	—	5,114
Provisions for impairment	208	56,157	486	140,180
Depreciation and amortization	3,975	4,956	8,425	10,787
Total expenses	35,299	101,896	67,374	223,168
Operating loss	(4,670)	(55,744)	(7,955)	(148,048)
Interest income	(46)	158	59	332
Interest expense	(495)	(144)	(1,207)	(582)
Loss before income taxes, equity in income of Real Estate Affiliates, reorganization items and noncontrolling interests	(5,211)	(55,730)	(9,103)	(148,298)
(Provision for) benefit from income taxes	(16,467)	(4,543)	(17,953)	2,913
Equity in income of Real Estate Affiliates	3,680	4,365	5,172	4,121
Reorganization items	(10,019)	(2,017)	(26,614)	(2,017)
Net loss	(28,017)	(57,925)	(48,498)	(143,281)
Allocation to noncontrolling interests	(25)	(21)	(73)	(65)
Net loss attributable to GGP	$ (28,042)	$ (57,946)	$ (48,571)	$ (143,346)
Comprehensive Income (loss), Net:				
Net loss	$ (28,017)	$ (57,925)	$ (48,498)	$ (143,281)
Other comprehensive income (loss)	(311)	224	99	326
Comprehensive loss	(28,328)	(57,701)	(48,399)	(142,955)
Comprehensive loss allocated to noncontrolling interests	(25)	(21)	(73)	(65)
Comprehensive loss attributable to GGP	$ (28,353)	$ (57,722)	$ (48,472)	$ (143,020)

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

SPINCO, INC.

COMBINED STATEMENTS OF EQUITY

(UNAUDITED)

	GGP Equity	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests in Combined Real Estate Affiliates	Total Equity
	(In thousands)			
Balance, January 1, 2009	$ 1,986,938	$ (2,926)	$ 1,803	$ 1,985,815
Net income (loss)	(143,346)		65	(143,281)
Distributions to noncontrolling interests			(103)	(103)
Other comprehensive income		326		326
Contributions from GGP, net	21,661			21,661
Balance, June 30, 2009	$ 1,865,253	$ (2,600)	$ 1,765	$ 1,864,418
Balance, January 1, 2010	$ 1,504,364	$ (1,744)	$ 900	$ 1,503,520
Net income (loss)	(48,571)		73	(48,498)
Distributions to noncontrolling interests			(138)	(138)
Other comprehensive income		99		99
Contributions from GGP, net	65,655			65,655
Balance, June 30, 2010	$ 1,521,448	$ (1,645)	$ 835	$ 1,520,638

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

SPINCO, INC.

COMBINED STATEMENTS OF CASH FLOWS

(UNAUDITED)

	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
	(In thousands)	
Cash Flows from Operating Activities:		
Net loss	$ (48,498)	$ (143,281)
Adjustments to reconcile net loss to net cash used in operating activities:		
Equity in income of Real Estate Affiliates	(5,172)	(4,121)
Provision for doubtful accounts	357	1,212
Distributions received from Real Estate Affiliates	—	1,406
Depreciation	7,356	9,143
Amortization	1,069	1,644
Amortization of deferred financing costs and debt market rate adjustments	225	569
Amortization of intangibles other than in-place leases	101	114
Straight-line rent amortization	(615)	(462)
Provisions for impairment	486	140,180
Land/residential development and acquisitions expenditures	(30,561)	(24,431)
Cost of land sales	3,250	18,667
Non-cash reorganization items	(570)	(76)
Net changes:		
Accounts and notes receivable	6,465	(2,343)
Prepaid expenses and other assets	(7,191)	24,675
Deferred expenses	(926)	(1,031)
Accounts payable and accrued expenses and deferred tax liabilities	22,450	(31,484)
Other, net	612	453
Net cash used in operating activities	(51,162)	(9,166)
Cash Flows from Investing Activities:		
Acquisition/development of real estate and property additions/improvements	(37,110)	(18,805)
Proceeds from sales of investment properties	—	6,392
Increase in investments in Real Estate Affiliates	(8)	(1,230)
Decrease in restricted cash	—	202
Net cash used in investing activities	(37,118)	(13,441)
Cash Flows from Financing Activities:		
Change in GGP investment, net	90,715	39,373
Principal payments on mortgages, notes and loans payable	(2,519)	(6,836)
Distributions to noncontrolling interests	(138)	(103)
Net cash provided by financing activities	88,058	32,434
Net change in cash and cash equivalents	(222)	9,827
Cash and cash equivalents at beginning of period	3,204	4,963
Cash and cash equivalents at end of period	$ 2,982	$ 14,790
Supplemental Disclosure of Cash Flow Information:		
Interest paid	$ 21,022	$ 26,422
Interest capitalized	20,412	26,002
Reorganization items paid	1,231	—
Non-Cash Transactions:		
Change in accrued capital expenditures included in accounts payable and accrued expenses	$ (33,718)	$ 5,191
Mortgage debt market rate adjustment related to emerged entities	876	—
Other non-cash GGP equity transactions	(25,024)	(17,688)
Recognition of note payable in conjunction with land held for development and sale	—	6,520

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

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION

General

Spinco, Inc. ("Spinco" or the "Company") is a newly formed Delaware corporation that was created to hold certain assets and liabilities of General Growth Properties, Inc. ("GGP") and its subsidiaries (collectively, the "Predecessors"). On April 16, 2009 and April 22, 2009 collectively, (the "Petition Date"), GGP and certain of its subsidiaries (the "Debtors") filed voluntary petitions under Chapter 11 of title 11 of the United States Code (the "Chapter 11 Cases"). On August 17, 2010, GGP filed with the Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") its second amended and restated plan of reorganization (as the same may be amended, modified or supplemented from time to time, the "Plan") for the Debtors remaining in the Chapter 11 Cases (the "Topco Debtors"). Spinco is currently a wholly owned subsidiary of GGP Limited Partnership ("GGPLP"), which is majority-owned by GGP. Pursuant to the Plan, Spinco will receive certain of the assets and liabilities of the Predecessors (the "Separation"), which we refer to as our business or "the Spinco Businesses." We expect the reorganization of GGP to be completed during the fourth quarter of 2010 (such time of completion being referred to as the "Effective Date"). On or prior to the Effective Date, approximately 32.5 million shares of common stock of Spinco will be distributed or issued to the common and preferred unit holders of GGPLP, which includes GGP, and then GGP will distribute its portion of such shares pro rata to holders of GGP common stock (the "Distribution"). GGP will not retain any ownership interest in Spinco. The Plan generally provides for the payment/settlement or reinstatement of claims against the TopCo Debtor's, funded with new equity capital provided by investors sponsoring the Plan (the "Plan Sponsors"). As part of the Plan Sponsors' commitments, the Plan Sponsors will purchase approximately 5.3 million shares of our common stock for $250 million. The Predecessors' bankruptcies are being jointly administered under the case In re: General Growth Properties, Inc., et al., Case No. 09-11977 in the Bankruptcy Court.

To date, we have not conducted any business as a separate company and have no material assets or liabilities. The operations of the business to be transferred to us by the Predecessors is presented as if the transferred business was our business for all historical periods described and at the historical cost/carrying value of such assets and liabilities reflected in GGP's books and records. Unless the context otherwise requires, references to "we," "us" and "our" refer to Spinco and its combined subsidiaries after giving effect to the transfer of assets and liabilities from the Predecessors.

On the Effective Date, our assets are expected to consist of the following:

- four master planned communities with an aggregate of 14,704 remaining saleable acres;
- nine mixed-use development opportunities comprised of 1,129 acres;
- four mall developmental projects comprised of 647 acres;
- seven redevelopment-opportunity retail malls with approximately 1 million square feet of existing gross leasable space; and
- interests in eleven other real estate assets or projects.

Our ownership interests in properties in which we own a majority or controlling interest are combined under accounting principles generally accepted in the United States of America ("GAAP"). Our interests in TWCPC Holdings, L.P., ("The Woodlands Commercial"), the Woodlands Operating Company, LP ("The Woodlands Operating") and the Woodlands Land Development Company, LP ("The Woodlands MPC"), all located in Houston, Texas and, collectively, the "Woodlands

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 1 ORGANIZATION (Continued)

Partnerships", and our interests in Westlake Retail Associates, Ltd ("Circle T Ranch") and 170 Retail Associates Ltd ("Circle T Power Center") and, together with Circle T Ranch, "Circle T", located in Dallas/Fort Worth, Texas, are held through joint venture entities in which we own non-controlling interests and are accounted for on the equity method. The Woodlands Partnerships, Circle T and certain cost method (see Note 3) and non-ownership rights are collectively referred to in this registration statement as our "Real Estate Affiliates".

Principles of Combination and Basis of Presentation

The accompanying combined financial statements include the accounts of the Spinco Businesses in which we have a controlling interest and are presented on a combined basis as all such Spinco Businesses have common control and ownership by GGP. The noncontrolling equity holders' share of the assets, liabilities and operations are reflected in noncontrolling interests within permanent equity of the Company. All significant intercompany balances and transactions between the Spinco Businesses have been eliminated.

As discussed above, we were formed for the purpose of receiving, via a tax-free distribution, certain assets and assuming certain liabilities of GGP pursuant to the Plan. We have conducted no business and will have no material assets or liabilities until the Distribution is consummated. No previous historical financial statements for the Spinco Businesses have been prepared and, accordingly, our combined financial statements are derived from the books and records of GGP and were carved-out from GGP at a carrying value reflective of such historical cost in such GGP records. Our historical financial results reflect allocations for certain corporate expenses which include, but are not limited to, costs related to property management, human resources, security, payroll and benefits, legal, corporate communications, information services and restructuring and reorganization. Costs of the services that were allocated or charged to us were based on either actual costs incurred or a proportion of costs estimated to be applicable to us based on a number of factors, most significantly the Company's percentage of GGP's adjusted revenue and assets and the number of properties. We believe these allocations are reasonable; however, these results do not reflect what our expenses would have been had the Company been operating as a separate stand-alone public company. In addition, the Spinco Businesses were operated as subsidiaries of GGP, which operates as a real estate investment trust ("REIT"). We are expected to operate as a taxable corporation. The historical combined financial information presented will therefore not be indicative of the results of operations, financial position or cash flows that would have been obtained if we had been an independent, stand-alone entity during the periods shown or of our future performance as an independent, stand-alone entity.

The Predecessors' Bankruptcy

In the fourth quarter of 2008 the Predecessors halted or slowed nearly all development and redevelopment at our properties due to liquidity concerns, other than those that were substantially complete or could not be deferred as a result of contractual commitments. As described above, as the Predecessors had significant past due, or imminently due, and cross-collateralized or cross-defaulted debt, on the Petition Date, GGP, on behalf of itself and certain of its domestic subsidiaries including certain wholly-owned Spinco Businesses, filed voluntary petitions for the Chapter 11 Cases (collectively with the entities filing on the Petition Date, the "Debtors"). The Debtors that sought protection under Chapter 11 that are part of Spinco are collectively referred to as the "Spinco Debtors" and comprise 33 entities with approximately $268.4 million of secured mortgage loans. However, the entities that own

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 1 ORGANIZATION (Continued)

our Bridgeland and Columbia master planned communities, the entities which own substantially all of our eight undeveloped land parcels and our joint ventures, The Woodlands Partnerships and Circle T, among others (collectively, the "Spinco Non-Debtors"), did not seek such relief.

During the pendency of the Chapter 11 Cases, the Debtors' are operating as Debtors in Possession. A debtor is afforded certain protection against its creditors and creditors are prohibited from taking certain actions (such as pursuing collection efforts or proceeding to foreclose on secured obligations) related to debts that were owed prior to the commencement of the Chapter 11 Cases. Accordingly, although the commencement of the Chapter 11 Cases triggered defaults on substantially all debt obligations of the Debtors, creditors are stayed from taking any action as a result of such defaults. Absent an order of the Bankruptcy Court, these pre-petition liabilities are subject to settlement under a plan of reorganization.

Since the Petition Date, the Bankruptcy Court has granted a variety of Debtors' motions that allow them to continue to operate their businesses in the ordinary course without interruption, and covering, among other things, employee obligations, critical service providers, tax matters, insurance matters, tenant and contractor obligations, claim settlements, ordinary course property sales, cash management, cash collateral, alternative dispute resolution, settlement of pre-petition mechanics liens and department store transactions.

During December 2009, three of the Spinco Debtors (the "Emerged Debtors") with $215.3 million of secured mortgage loans filed consensual plans of reorganization (the "Emerged Plans"). As of December 31, 2009, two of the Emerged Debtors with $146.8 million secured debt had emerged from bankruptcy. The plan of reorganization and emergence from bankruptcy of the remaining Emerged Debtor occurred on July 23, 2010. The Spinco Debtors that remain in Chapter 11 at August 2, 2010 (the "Remaining Spinco Debtors") are expected to emerge from bankruptcy pursuant to the Plan.

As described above, we have received legal protection from our creditors pursuant to the Chapter 11 Cases. This protection is limited in duration and the Predecessors are currently negotiating the terms of the Plan with their lenders and other stakeholders.

The Company was formed in July 2010 to hold the Spinco Businesses pursuant to the Plan. The consummation of the Plan, and therefore the receipt of assets and liabilities related to the Spinco Businesses by the Company, depends, in part, on GGP's potential ability to obtain confirmation of the Plan. Uncertainties about the consummation of GGP's plan of reorganization raise substantial doubts as to the ability of the Spinco Businesses to continue as a going concern. The accompanying combined financial statements have been prepared in conformity with GAAP applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. However, as a result of the Chapter 11 Cases, such realization of assets and satisfaction of liabilities are subject to a significant number of uncertainties. Our combined financial statements do not reflect any adjustments related to the recoverability of assets and satisfaction of liabilities that might be necessary should we be unable to continue as a going concern.

Accounting for Reorganization

The accompanying combined financial statements and the combined condensed financial statements of the Spinco Debtors presented below have been prepared in accordance with GAAP related to financial reporting by entities in reorganization under the Bankruptcy Code, and on a going

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 1 ORGANIZATION (Continued)

concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Such accounting guidance also provides that if a debtor, or group of debtors, has significant combined assets and liabilities of entities which have not sought Chapter 11 bankruptcy protection, the debtors and non-debtors should continue to be combined. However, separate disclosure of financial statement information solely relating to the debtor entities should be presented. Therefore, the combined condensed financial statements presented below solely reflect the financial position and results of operations for the Spinco Debtors which have not emerged from bankruptcy as of June 30, 2010.

Unaudited Combined Condensed Balance Sheets

	June 30, 2010	December 31, 2009
	(In thousands)	
Net investment in real estate	$ 1,829,155	$ 1,836,995
Cash and cash equivalents	1,109	1,285
Accounts and notes receivable, net	2,025	7,966
Other	117,581	111,977
Total assets	$ 1,949,870	$ 1,958,223
Liabilities not subject to compromise:		
Deferred tax liabilities	$ 770,556	$ 827,264
Accounts payable and accrued expenses	206,550	121,903
Liabilities subject to compromise	233,623	275,839
Equity	739,141	733,217
Total liabilities and equity	$ 1,949,870	$ 1,958,223

As described above, certain of the Spinco Debtors have emerged from bankruptcy protection as of June 30, 2010. The unaudited combined condensed statements of operations, for the three and six months ended June 30, 2010 and the unaudited combined condensed statements of cash flows for the six months ended June 30, 2010 presented below includes the Topco Debtors that are Spinco Businesses, and excludes Emerged Debtors. Since the Spinco Debtors commenced their respective Chapter 11 Cases on two different dates in April 2009, the unaudited combined condensed statements of operations and cash flows have been prepared for the period May 1, 2009 to June 30, 2009.

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 1 ORGANIZATION (Continued)

Unaudited Combined Condensed Statements of Operations

	Six Months Ended June 30, 2010	Three Months Ended June 30, 2010	May 1, 2009 to June 30, 2009
		(In thousands)	
Operating revenues	$ 31,396	$ 15,886	$ 10,870
Operating expenses	50,115	26,385	71,872
Provision for impairment	486	208	235
Operating loss	(19,205)	(10,707)	(61,237)
Interest income, net	1,013	293	460
(Provision for) benefit from for income taxes	(17,439)	(16,166)	730
Equity in income (loss) of Real Estate Affiliates	615	478	(67)
Reorganization items	(26,115)	(9,559)	(1,327)
Net loss	(61,131)	(35,661)	(61,441)
Allocation to noncontrolling interests	(189)	(28)	(206)
Net loss attributable to GGP	$ (61,320)	$ (35,689)	$ (61,647)

Unaudited Combined Condensed Statements of Cash Flows

	Six Months Ended June 30, 2010	May 1, 2009 to June 30, 2009
	(In thousands)	
Net cash used in:		
Operating activities	$ (176)	$ (4,090)
Investing activities	—	—
Financing activities	—	—
Net decrease in cash and cash equivalents	(176)	(4,090)
Cash and cash equivalents, beginning of period	1,285	6,065
Cash and cash equivalents, end of period	$ 1,109	$ 1,975
Cash paid for reorganization items	$ (255)	$ —

Classification of Liabilities Not Subject to Compromise

Liabilities not subject to compromise include: (1) liabilities held by Spinco Non-Debtor entities; (2) liabilities incurred after the Petition Date; (3) pre-Petition Date liabilities the Emerged Debtors expect to pay in full, even though certain of these amounts may not be paid until a plan of reorganization is effective; and (4) liabilities related to pre-petition contracts that affirmatively have not been rejected.

All liabilities incurred by the Debtors prior to the Petition Date other than those specified above are considered liabilities subject to compromise. The amounts of the various categories of liabilities that are subject to compromise are set forth below. These amounts represent the Company's estimates of known or potential pre-Petition Date claims that are likely to be resolved in connection with the bankruptcy filings. Such claims remain subject to future adjustments. Adjustments may result from

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 1 ORGANIZATION (Continued)

negotiations, actions of the Bankruptcy Court, rejection of executory contracts and unexpired leases, the determination as to the value of any collateral securing claims, proofs of claim, or other events. There can be no assurance that the equity of the Company's stockholders will not be diluted. The amounts subject to compromise consisted of the following items:

	June 30, 2010	December 31, 2009
	(In thousands)	
Mortgages and secured notes	$ 132,849	$ 133,973
Accounts payable and accrued liabilities	100,774	141,866
Total liabilities subject to compromise	$ 233,623	$ 275,839

The classification of liabilities "not subject to compromise" versus liabilities "subject to compromise" is based on currently available information and analysis. As the remaining Chapter 11 Cases proceed and additional information is received and analysis is completed, or as the Bankruptcy Court rules on relevant matters, the classification of amounts between these two categories may change. The amount of any such changes could be material.

Reorganization Items

Reorganization items under the Chapter 11 Cases are expense or income items that were incurred or realized by the Spinco Debtors as a result of the Chapter 11 Cases and are presented separately in the Combined Statements of Loss and Comprehensive Loss and in the condensed combined statements of operations of the Spinco Debtors presented above. These items include professional fees and similar types of expenses and gains directly related to the Chapter 11 Cases, resulting from activities of the reorganization process, and interest earned on cash accumulated by the Spinco Debtors as a result of the Chapter 11 Cases. Reorganization items specific to the Spinco Businesses have been allocated to us and have been reflected in our combined financial statements and in the tables presented below.

In addition, the key employee incentive program (the "KEIP") was subject to approval by the Bankruptcy Court. The KEIP is intended to retain certain key employees of GGP and provides for payment to these GGP employees upon successful emergence from bankruptcy. A portion of the KEIP has been deemed to relate specifically to our properties' deemed probable of being paid and therefore, we are recognizing our estimated KEIP expense in the period from the date the KEIP was approved by the Bankruptcy Court to our estimated date of successful emergence from bankruptcy. We accrued a liability for the KEIP in Accounts payable and accrued expenses on the Combined Balance Sheets of $8.1 million as of June 30, 2010 and $2.3 million as of December 31, 2009. In addition, we recognized the resulting expense in Reorganization items on the Combined Statements of Loss and Comprehensive Loss of $1.5 million for the three months ended June 30, 2010 and $5.8 million for the six months ended June 30, 2010.

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 1 ORGANIZATION (Continued)

Reorganization items are as follows:

Reorganization Items	Three Months Ended June 30, 2010	Six Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2009
	(In thousands)		(In thousands)	
Gains on liabilities subject to compromise—vendors(1)	$ (36)	$ (282)	$ (76)	$ (76)
Losses on liabilities subject to compromise—mortgage debt(2)	365	365	—	—
Interest income(3)	(1)	(1)	(1)	(1)
U.S. Trustee fees(4)	131	270	—	—
Restructuring costs(5)	9,560	26,262	2,094	2,094
Total reorganization items	$ 10,019	$ 26,614	$ 2,017	$ 2,017

(1) This amount includes gains from repudiation, rejection or termination of contracts or guarantee of obligations. Such gains reflect agreements reached with certain critical vendors, which were authorized by the Bankruptcy Court and for which payments on an installment basis began in July 2009.

(2) Such net losses include the Fair Value adjustments of mortgage debt relating to entities that emerged from bankruptcy.

(3) Interest income primarily reflects amounts earned on cash accumulated as a result of our Chapter 11 cases.

(4) Estimate of fees due remain subject to confirmation and review by the Office of the United States Trustee ("U.S. Trustee").

(5) Restructuring costs primarily include professional fees incurred related to the bankruptcy filings, the estimated KEIP payment, finance costs incurred by the Emerged Debtors and the write off of unamortized deferred finance costs related to the Emerged Debtors.

Impairment

Properties, developments in progress and land held for development or redevelopment, including assets to be sold after such development or redevelopment

GAAP related to accounting for the impairment or disposal of long-lived assets require that if impairment indicators exist and the undiscounted cash flows expected to be generated by an asset are less than its carrying amount, an impairment provision should be recorded to write down the carrying amount of such asset to its Fair Value. We review our combined and uncombined real estate assets, including operating properties, land held for development and sale and developments in progress, for potential impairment indicators whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment indicators for our Master Planned Communities segment are assessed separately for each community and include, but are not limited to, significant decreases in sales pace or average

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 1 ORGANIZATION (Continued)

selling prices, significant increases in expected land development and construction costs or cancellation rates, and projected losses on expected future sales.

Impairment indicators for our Strategic Development segment are assessed separately for each property and include, but are not limited to, significant decreases in comparable property sale prices, in real estate property net operating income and occupancy percentages.

Impairment indicators for pre-development costs, which are typically costs incurred during the beginning stages of a potential development, and developments in progress are assessed by project and include, but are not limited to, significant changes in projected completion dates, revenues or cash flows, development costs, market factors and sustainability of development projects.

If an indicator of potential impairment exists, the asset is tested for recoverability by comparing its carrying amount to the estimated future undiscounted cash flows. The cash flow estimates used both for determining recoverability and estimating Fair Value (defined below) are inherently judgmental and reflect current and projected trends in rental, occupancy and capitalization rates, and estimated holding periods for the applicable assets. Although the estimated value of certain assets may be exceeded by the carrying amount, a real estate asset is only considered to be impaired when its carrying amount cannot be recovered through estimated future undiscounted cash flows. In such regard, although all master planned communities and two strategic development properties had impairment indicators and such assets had carrying values in excess of their respective estimated fair values at June 30, 2010, no additional impairment provisions were considered necessary. To the extent an impairment provision is necessary, the excess of the carrying amount of the asset over its estimated Fair Value is expensed to operations. In addition, the impairment provision is allocated proportionately to adjust the carrying amount of the asset. The adjusted carrying amount, which represents the new cost basis of the asset, is depreciated over the remaining useful life of the asset.

We recorded impairment charges related to our properties held for development, redevelopment and sale, and developments in progress of $0.2 million and $0.5 million for the three and six months ended June 30, 2010 and $56.2 and $140.2 million for the three and six months ended June 30, 2009, respectively, as presented in the table below. All of these impairment charges are included in provisions for impairment in our combined financial statements.

Investment in Real Estate Affiliates

In accordance with GAAP related to the equity method of accounting for investments, a series of operating losses of an investee or other factors may indicate that a decrease in value of our investment in the Real Estate Affiliates has occurred which is other-than-temporary. The investment in each of the Real Estate Affiliates is evaluated periodically and as deemed necessary for recoverability and valuation declines that are other than temporary. Accordingly, in addition to the property-specific impairment analysis that we perform on the investment properties, land held for development and sale and developments in progress owned by such joint ventures (as part of our investment property impairment process described above), we also considered the ownership and distribution preferences and limitations and rights to sell and repurchase our ownership interests. Based on such evaluations, no provisions for impairment were recorded for the three and six months ended June 30, 2010 and 2009 related to our investments in Real Estate Affiliates. See Note 3 for further disclosure of the provisions for impairment related to certain properties within our Real Estate Affiliates.

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 1 ORGANIZATION (Continued)

General

Although all of the properties in our Master Planned Communities segment had Fair Values less than their carrying amounts, the undiscounted cash flows for these properties exceeded their carrying amounts and therefore no additional impairment provision was warranted. Of those properties in our Strategic Development segment that had impairment indicators, only two operating properties had Fair Values less than their carrying amounts. Undiscounted cash flows for these properties exceeded their carrying amounts and therefore no additional impairment provision was warranted. Based on the Company's plans with respect to those properties, we believe that the carrying amounts are recoverable and therefore, under applicable GAAP guidance, no additional impairments were taken. Nonetheless, due to the tight credit markets and the uncertain economic environment, as well as other uncertainties, or if our plans regarding our assets change, additional impairment charges in the future could result. Therefore, we can provide no assurance that material impairment charges with respect to our properties held for development, redevelopment and sale and development in progress and our investment in Real Estate Affiliates will not occur in future periods. Accordingly, we will continue to monitor circumstances and events in future periods to determine whether additional impairments are warranted.

Impaired Asset	Location	Method of Determining Fair Value	Three Months Ended June 30, 2010	Six Months Ended June 30, 2010
			(In thousands)	
Strategic Development:				
Various pre-development costs		(2)	$ 208	$ 486

Impaired Asset	Location	Method of Determining Fair Value	Three Months Ended June 30, 2009	Six Months Ended June 30, 2009
			(In thousands)	
Master Planned Communities:				
Maryland-Fairwood Community	Columbia, MD	Projected sales price analysis(1)(3)	$ —	$ 52,767
Strategic Development:				
Allen Towne Mall	Allen, TX	Projected sales price analysis(1)(3)	—	24,166
Nouvelle at Natick	Natick, MA	Discounted cash flow analysis(3)	55,923	55,923
Redlands Promenade	Redlands, CA	Projected sales price analysis(1)(3)	—	6,667
Various pre-development costs		(2)	234	657
Total Strategic Development			56,157	87,413
Total Provisions for impairment			$ 56,157	$ 140,180

(1) Projected sales price analysis incorporates available market information and other management assumptions.

(2) Related to the write down of various pre-development costs that were determined to be non-recoverable due to the related projects being terminated.

(3) These impairments were primarily driven by the carrying value of the assets, including costs expected to be incurred, not being recoverable by the projected sales price of such assets.

Fair Value Measurements

Fair Value is defined as the price that would be received to sell or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 1 ORGANIZATION (Continued)

The accounting principles for Fair Value measurements establish a three-tier Fair Value hierarchy, which prioritizes the inputs used in measuring Fair Value. These tiers include:

- Level 1—defined as observable inputs such as quoted prices for identical assets or liabilities in active markets;
- Level 2—defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and
- Level 3—defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The asset or liability Fair Value measurement level within the Fair Value hierarchy is based on the lowest level of any input that is significant to the Fair Value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Any Fair Values utilized or disclosed in our combined financial statements were developed for the purpose of complying with the accounting principles established for Fair Value measurements. The Fair Values of our assets or liabilities for enterprise value in our Chapter 11 Cases or as a component of our reorganization plan (see Note 1) will reflect differing assumptions and methodologies. These estimates will be subject to a number of approvals and reviews and therefore may be materially different.

The following table summarizes our assets that are measured at Fair Value on a nonrecurring basis as of June 30, 2009.

	Total Fair Value Measurement	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Loss Three Months Ended June 30, 2009	Total Loss Six Months Ended June 30, 2009
	(In thousands)					
Investments in real estate:						
Allen Towne Mall	$ 29,511	$ —	$ 29,511	$ —	$ —	$ (24,166)
Maryland-Fairwood Master Planned Community	12,629	—	12,629	—	—	(52,767)
Nouvelle At Natick(1)	64,661	—	—	64,661	(55,923)	(55,923)
Redlands Promenade	6,727	—	—	6,727	—	(6,667)
Total investments in real estate	$ 113,528	$ —	$ 42,140	$ 71,388	$ (55,923)	$ (139,523)

(1) The Fair Value is based on estimated sales value.

Fair Value of Financial Instruments

The Fair Values of our financial instruments approximate their carrying amount in our financial statements except for debt. Notwithstanding that we do not believe that a fully-functioning market for real property financing exists currently, GAAP guidance requires that management estimate the Fair Value of our debt. However, as a result of the Spinco Debtors' Chapter 11 filings, the Fair Value for

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 1 ORGANIZATION (Continued)

the outstanding debt that is included in liabilities subject to compromise in our Combined Balance Sheets cannot be reasonably determined at June 30, 2010 as the timing and amounts to be paid are subject to confirmation by the Bankruptcy Court. For the $207.6 million of mortgages, notes and loans payable outstanding that are not subject to compromise at June 30, 2010, management's required estimates of Fair Value are presented below. This Fair Value was estimated solely for financial statement reporting purposes and should not be used for any other purposes, including to estimate the value of any of the Company's securities or to estimate the appropriate interest rate for consensual and non-consensual restructuring of secured debt in our Chapter 11 Cases. We estimated the Fair Value of this debt based on quoted market prices for publicly-traded debt, recent financing transactions (which may not be comparable), estimates of the Fair Value of the property that serves as collateral for such debt, historical risk premiums for loans of comparable quality, current London Interbank Offered Rate ("LIBOR"), a widely quoted market interest rate which is frequently the index used to determine the rate at which we borrow funds and US treasury obligation interest rates, and on the discounted estimated future cash payments to be made on such debt. The discount rates estimated reflect our judgment as to what the approximate current lending rates for loans or groups of loans with similar maturities and credit quality would be if credit markets were operating efficiently and assume that the debt is outstanding through maturity. We have utilized market information as available or present value techniques to estimate the amounts required to be disclosed, or, in the case of the debt of the Emerged Debtors, recorded due to GAAP bankruptcy emergence guidance. Since such amounts are estimates that are based on limited available market information for similar transactions and do not acknowledge transfer or other repayment restrictions that may exist in specific loans, it is unlikely that the estimated Fair Value of any of such debt could be realized by immediate settlement of the obligation.

	June 30, 2010		December 31, 2009	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(In thousands)			
Fixed-rate debt	$ 207,646	$ 218,624	$ 208,860	$ 205,406

Revenue Recognition and Related Matters

Revenues from land sales are recognized using the full accrual method provided that various criteria relating to the terms of the transactions and our subsequent involvement with the land sold are met. Criteria include the consummation of the sale, demonstration of the collectability of the sales price, the transfer of usual risks and rewards of ownership to the buyer and absence of substantial continuing involvement from the seller. Revenues relating to transactions that do not meet the established criteria are deferred and recognized when the criteria are met or using the installment or cost recovery methods, as appropriate in the circumstances. Revenues and cost of sales are recognized on a percentage of completion basis for land sale transactions in which we are required to perform additional services and incur significant costs after title has passed.

Nouvelle at Natick is a 215 unit residential condominium project, located in Natick, Massachusetts. Pursuant to the Plan, only the unsold units at Nouvelle at Natick on the Effective Date will be distributed to us and no deferred revenue or sales proceeds from unit closings prior to the Effective Date will be allocated to us. As of June 30, 2010, 87 units were unsold at Nouvelle at Natick. Income

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 1 ORGANIZATION (Continued)

related to unit sales subsequent to the Effective Date is expected to be accounted for on a unit-by-unit basis on the full accrual method.

Minimum rent revenues are recognized on a straight-line basis over the terms of the related leases. Minimum rent revenues also include amounts collected from tenants to allow the termination of their leases prior to their scheduled termination dates and accretion related to above and below-market tenant leases on acquired properties.

Straight-line rent receivables, which represent the current net cumulative rents recognized prior to when billed and collectible as provided by the terms of the leases, of $3.0 million as of June 30, 2010 and $3.2 million as of December 31, 2009, are included in Accounts and notes receivable, net in our combined financial statements. Percentage rent in lieu of fixed minimum rent received from tenants was $1.1 million and $1.8 million for the three and six months ended June 30, 2010 and $0.8 million and $1.6 million for the three and six months ended June 30, 2009, and is included in Minimum Rents in our combined financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. For example, estimates and assumptions have been made with respect to useful lives of assets, capitalization of development and leasing costs, provision for income taxes, recoverable amounts of receivables and deferred taxes, initial valuations and related amortization periods of deferred costs and intangibles, particularly with respect to acquisitions, impairment of long-lived assets, Fair Value of debt of the Emerged Debtors and cost ratios and completion percentages used for land sales. Actual results could differ from these and other estimates.

Earnings Per Share ("EPS")

Presentation of EPS information is not applicable as all of our common stock, since the date of our formation on July 1, 2010, is owned by GGP.

Debt Market Rate Adjustments

We record market rate adjustments related to our mortgages, notes and loans payable primarily for debt held by the Spinco Debtors upon emergence from bankruptcy. Such debt market rate adjustments are recorded based on the estimated Fair Value of the debt at the time of emergence and are recorded within mortgages, notes and loans payable on our Combined Balance Sheets. The debt market rate adjustments are amortized as interest expense over the remaining term of the loans using the effective interest method.

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 2 INTANGIBLE ASSETS AND LIABILITIES

The following table summarizes our intangible assets and liabilities:

	Gross Asset (Liability)	Accumulated (Amortization)/ Accretion	Net Carrying Amount
		(In thousands)	
As of June 30, 2010			
Tenant leases:			
In-place value	$ 12,005	$ (10,139)	$ 1,866
Above-market	2,270	(2,005)	265
Below-market	(78)	70	(8)
Ground leases:			
Above-market	(16,968)	2,660	(14,308)
Below-market	23,096	(1,908)	21,188
As of December 31, 2009			
Tenant leases:			
In-place value	$ 13,063	$ (10,875)	$ 2,188
Above-market	2,323	(1,883)	440
Below-market	(86)	72	(14)
Ground leases:			
Above-market	(16,968)	2,425	(14,543)
Below-market	23,096	(1,739)	21,357

The gross asset balances of the in-place value of tenant leases are included in Buildings and equipment in our Combined Balance Sheets. The above-market and below-market tenant and ground leases are included in Prepaid expenses and other assets and Accounts payable and accrued expenses (Note 7) in our combined financial statements. The decrease in the gross asset (liability) accounts at June 30, 2010 compared to December 31, 2009 is primarily due to the write-off of fully amortized assets/(liabilities) in the six months ended June 30, 2010.

NOTE 3 REAL ESTATE AFFILIATES

We own non-controlling investments in The Woodlands Partnerships and Circle T whereby, generally, we share in the profits and losses, cash flows and other matters relating to our investments in such Real Estate Affiliates in accordance with our respective ownership percentages. Our unaffiliated joint venture partners manage the properties owned by these joint ventures. As we have joint interest and control of these ventures with our venture partners, we account for these joint ventures using the equity method.

As of June 30, 2010, approximately $373.7 million of the indebtedness was secured by the properties owned by our Real Estate Affiliates, our share of which was approximately $196.2 million. There can be no assurance that we will be able to refinance or restructure such debt (including the $171.2 million of debt maturing in 2010) on acceptable terms or otherwise, or that joint venture operations or contributions by us and/or our partners will be sufficient to repay such loans.

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 3 REAL ESTATE AFFILIATES (Continued)

Condensed Combined Financial Information of Certain Real Estate Affiliates

As The Woodlands Partnerships and Circle T are accounted for on the equity method, the following summarized financial information as of June 30, 2010 and December 31, 2009 and for the three and six months ended June 30, 2010 and 2009 is presented below.

	June 30, 2010	December 31, 2009
	(In thousands)	
Condensed Combined Balance Sheets—Real Estate Affiliates		
Assets:		
Land	$ 31,077	$ 31,077
Buildings and equipment	236,381	207,051
Less accumulated depreciation	(77,561)	(73,866)
Developments in progress	29,104	55,996
Net property and equipment	219,001	220,258
Investment property and property held for development and sale	247,488	266,253
Net investment in real estate	466,489	486,511
Cash and cash equivalents	53,818	35,569
Accounts and notes receivable, net	58,857	66,460
Deferred expenses, net	636	1,189
Prepaid expenses and other assets	47,074	40,561
Total assets	$ 626,874	$ 630,290
Liabilities and Owners' Equity:		
Mortgages, notes and loans payable	$ 373,686	$ 377,964
Accounts payable, accrued expenses and other liabilities	102,783	107,700
Owners' equity	150,405	144,626
Total liabilities and owners' equity	$ 626,874	$ 630,290
Investment In and Loans To/From Real Estate Affiliates, Net:		
Owners' equity	$ 150,405	$ 144,626
Less joint venture partners' equity	(71,892)	(69,147)
Capital or basis differences and loans	67,225	65,079
Investment in and loans to/from Real Estate Affiliates, net	$ 145,738	$ 140,558

Table of Contents

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 3 REAL ESTATE AFFILIATES (Continued)

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
	(In thousands)		(In thousands)	
Condensed Combined Statements of Income Real Estate Affiliates				
Revenues:				
Minimum rents	$ 2,554	$ 5,494	$ 4,541	$ 10,794
Land sales	25,405	25,560	49,471	35,276
Management and other fees	16,351	17,037	30,179	34,006
Total revenues	44,310	48,091	84,191	80,076
Expenses:				
Real estate taxes	496	396	986	724
Property maintenance costs	555	606	468	1,222
Other property operating costs	15,024	19,436	28,546	38,816
Land sales operations	19,278	17,487	37,644	27,600
Depreciation and amortization	1,771	1,913	3,676	3,830
Total expenses	37,124	39,838	71,320	72,192
Operating income	7,186	8,253	12,871	7,884
Interest income	571	142	1,339	350
Interest expense	(2,730)	(1,721)	(5,632)	(3,351)
Provision for income taxes	(827)	(110)	(1,137)	(130)
Net income attributable to joint venture partners	$ 4,200	$ 6,564	$ 7,441	$ 4,753
Equity In Income of Real Estate Affiliates:				
Net income attributable to joint venture partners	$ 4,200	$ 6,564	$ 7,441	$ 4,753
Joint venture partners' share of income	(1,995)	(3,117)	(3,534)	(2,255)
Amortization of capital or basis differences	1,475	918	1,265	1,623
Equity in income of Unconsolidated Real Estate Affiliates	$ 3,680	$ 4,365	$ 5,172	$ 4,121

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 4 MORTGAGES, NOTES AND LOANS PAYABLE

Mortgages, notes and loans payable are summarized as follows:

	June 30, 2010	December 31, 2009
	(In thousands)	
Fixed-rate debt:		
Collateralized mortgages, notes and loans payable	$ 340,495	$ 342,833
Less: Mortgages, notes and loans payable subject to compromise	(132,849)	(133,973)
Total mortgages, notes and loans payable not subject to compromise	$ 207,646	$ 208,860

As previously discussed, on April 16 and 22, 2009, the Debtors filed voluntary petitions for relief under Chapter 11, which triggered defaults on substantially all debt obligations of the Debtors. However, under section 362 of Chapter 11, the filing of a bankruptcy petition automatically stays most actions against the debtor's estate. Absent an order of the Bankruptcy Court, these pre-petition liabilities are subject to settlement under a plan of reorganization, and therefore are presented as Liabilities subject to compromise on the Combined Balance Sheets as of June 30, 2010 and December 31, 2009. Of the total amount of debt presented above, $207.6 million and 208.9 million is not subject to compromise, consisting of the collateralized mortgages of the Spinco Debtors that have emerged from bankruptcy as of June 30, 2010 and December 31, 2009, respectively. Also, as discussed in Note 1, the $68.5 million of mortgage debt of the remaining Emerged Debtor was reflected as subject to compromise at June 30, 2010 as the effective date of its plan of reorganization did not occur as of June 30, 2010. Such mortgage loan amount was reclassified to be reflected as not subject to compromise in July 2010.

As of December 31, 2009, as described in Note 1, plans of reorganization for the Emerged Debtors, secured by approximately $146.8 million of mortgage debt, had been declared effective. The Emerged Plans for such Emerged Debtors provided for, in exchange for payment of certain extension fees and cure of previously unpaid amounts due on the applicable mortgage loans (primarily, principal amortization otherwise scheduled to have been paid since the Petition Date), the extension of the secured mortgage loans at previously existing non-default interest rates. As a result of the extensions, weighted average remaining duration of the secured loans associated with these properties is 5.17 years as of June 30, 2010. In conjunction with these extensions, certain financial and operating covenants and guarantees were created or reinstated. With respect to the loans of the Spinco Debtors that remain in bankruptcy at June 30, 2010, we are currently recognizing interest expense based on contract rates in effect prior to bankruptcy as the Bankruptcy Court has ruled that interest payments based on such contract rates constitutes adequate protection to the secured lenders. Such debt that remains subject to compromise at June 30, 2010 is expected to be reinstated or satisfied pursuant to the Plan.

The Plan Debtors, pursuant to their debt obligations, are required to comply with certain customary financial covenants and affirmative representations and warranties including, but not limited to, stipulations relating to leverage, net equity, cross-defaults to certain other indebtedness and interest or fixed charge coverage ratios. Such financial covenants are calculated from applicable information computed in accordance with GAAP, subject to certain exclusions or adjustments, as defined. As discussed in Note 1, the Predecessors were unable to repay or refinance certain debt as it became due, and our Chapter 11 Cases have stayed the enforcement of the default provisions of such covenants with respect to our properties.

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 4 MORTGAGES, NOTES AND LOANS PAYABLE (Continued)

Collateralized Mortgages, Notes and Loans Payable

As of June 30, 2010, $330.9 million of land, buildings and equipment and developments in progress (before accumulated depreciation) have been pledged as collateral for our mortgages, notes and loans payable. Certain of these secured loans are cross-collateralized with other properties. Substantially all of the $340.5 million of fixed and variable rate secured mortgage notes and loans payable are non-recourse. In addition, certain mortgage loans as of June 30, 2010 contain other credit enhancement provisions which have been provided by the TopCo Debtors upon which GGP does not expect to perform during the pendency of the Chapter 11 Cases. These security or credit enhancement provisions are to be modified pursuant to the Plan, including, among other things, to substitute us for GGP. Certain mortgage notes payable may be prepaid but are generally subject to a prepayment penalty equal to a yield-maintenance premium, defeasance or a percentage of the loan balance.

Letters of Credit and Surety Bonds

We had outstanding letters of credit and surety bonds of $86.7 million as of June 30, 2010 and $76.5 million as of December 31, 2009. These letters of credit and bonds were issued primarily in connection with insurance requirements, special real estate assessments and construction obligations.

NOTE 5 INCOME TAXES

Although GGP operated as a REIT, certain of the Spinco Businesses operated as taxable REIT subsidiaries. Given the overall make-up of the Spinco Businesses, particularly the undeveloped land in our Master Planned Communities segment, we will not elect to be treated as a REIT and thus will generally be taxed as a C corporation. However, one of our combined entities, Victoria Ward, Ltd. ("Ward", substantially all of which is owned by us) elected to be taxed as a REIT under sections 856-860 of the Internal Revenue Code of 1986, as amended (the "Code"), commencing with the taxable year beginning January 1, 2002. To qualify as a REIT, Ward must meet a number of organizational and operational requirements, including requirements to distribute at least 90% of its ordinary taxable income and to distribute to stockholders or pay tax on 100% of capital gains and to meet certain asset and income tests. Ward has satisfied such REIT distribution requirements for 2009.

The deferred tax liability associated with the master planned communities is largely attributable to the difference between the basis and value determined as of the date of the acquisition by the Predecessors of The Rouse Company ("TRC") in 2004 adjusted for sales that have occurred since that time. The cash cost related to this deferred tax liability is dependent upon the sales price of future land sales and the method of accounting used for income tax purposes. The deferred tax liability related to deferred income is the difference between the income tax method of accounting and the financial statement method of accounting for prior sales of land in our Master Planned Communities.

Unrecognized tax benefits recorded pursuant to uncertain tax positions were $126.2 million and $56.5 million as of June 30, 2010 and December 31, 2009, respectively, excluding interest, of which $0.4 million and $0 as of June 30, 2010 and December 31, 2009, respectively, would impact our effective tax rate. Accrued interest related to these unrecognized tax benefits amounted to $25.4 million as of June 30, 2010 and $9.6 million as of December 31, 2009. We recognized an increase of interest expense related to the unrecognized tax benefits of $14.8 million for the three months ended June 30, 2010; $15.7 million for the six months ended June 30, 2010; $0.7 million for the three months ended June 30, 2009 and $1.0 million for the six months ended June 30, 2009.

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 5 INCOME TAXES (Continued)

Generally, we are currently open to audit under the statute of limitations by the Internal Revenue Service for the years ending December 31, 2005 through 2009 and are open to audit by state taxing authorities for years ending December 31, 2004 through 2009. Two of our subsidiaries are subject to IRS audit for the years ended December 31, 2007 and December 31, 2008, and in connection with such audits, the IRS has proposed changes resulting in $148.2 million of additional tax. We have disputed the proposed changes and it is the Company's position that the tax law in question has been properly applied and reflected in the 2007 and 2008 returns for these two subsidiaries. We are currently considering a settlement offer from the IRS and cannot predict when these audits will be resolved. We have previously provided for the additional taxes sought by the IRS, through our uncertain tax position liability or deferred tax liabilities. Although we believe our tax returns are correct, the final determination of tax examinations and any related litigation could be different than what was reported on the returns. In the opinion of management, we have made adequate tax provisions for years subject to examination. Based on our assessment of the expected outcome of these examinations or examinations that may commence, or as a result of the expiration of the statute of limitations for specific jurisdictions, it is reasonably possible that the related unrecognized tax benefits, excluding accrued interest, for tax positions taken regarding previously filed tax returns will materially change from those recorded at June 30, 2010. A material change in unrecognized tax benefits could have a material effect on our statements of income and comprehensive income. As of June 30, 2010, there are $126.2 million of unrecognized tax benefits, excluding accrued interest, which due to the reasons above, could significantly increase or decrease during the next twelve months.

There are certain tax attributes, such as net operating loss carry forwards, that may be limited in the event of an ownership change as defined under section 382 of the Internal Revenue Code. If an ownership change were to occur, there could be significant valuation allowances placed on deferred tax assets that do not have valuation allowances as of June 30, 2010.

NOTE 6 TRANSACTIONS WITH GGP AND OTHER GGP SUBSIDIARIES

Intercompany Transactions

As described in Note 1, the accompanying combined financial statements present the operations of the Spinco Businesses as carved-out from the consolidated financial statements of GGP. Transactions between the Spinco Businesses have been eliminated in the combined presentation. Also as described in Note 1, an allocation of certain centralized GGP costs incurred for activities such as employee benefit programs, property management and asset management functions, centralized treasury, payroll and administrative functions have been made to the property operating costs of Spinco Businesses. Accordingly, transactions between the Spinco Businesses and GGP or other GGP subsidiaries have not been eliminated except that end-of-period intercompany balances between GGP and the Spinco Businesses have been considered elements of Spinco equity.

Incentive Stock Plans

Prior to the Chapter 11 Cases, the Predecessors granted qualified and non-qualified stock options and restricted stock to certain GGP officers and key employees whose compensation costs related specifically to our assets. Accordingly, stock-based compensation costs pertaining to such employees have been reflected in our combined financial statements for the applicable periods. A similar stock option and restricted stock plan is expected to be in place for our employees after the Effective Date.

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 6 TRANSACTIONS WITH GGP AND OTHER GGP SUBSIDIARIES (Continued)

Pursuant to the Plan, each outstanding option to acquire shares of GGP stock will be converted into (i) an option to acquire the same number of shares of common stock of reorganized GGP and (ii) a separate option to acquire 0.0983 shares of our common stock for each existing option for one share of GGP common stock. The replacement options will have the same terms and conditions as the outstanding GGP Options. As of the Effective Date, we expect 507,307 shares of our common stock to be issuable upon exercise of the Spinco Options. The exercise price per share of a Spinco Option that is converted from a GGP Option shall be computed based upon the relative trading prices of our common stock and reorganized GGP's common stock during the last ten-day trading period ending on or before the sixtieth calendar day following the Effective Date. As the majority of the current outstanding options to acquire shares of GGP have an exercise price in excess of the current trading price of GGP stock, we do not expect such outstanding options for our stock to be materially dilutive as of the Effective Date. In addition, with respect to certain of the currently outstanding GGP options, the Plan provides that the holders of such options will be given the alternative of receiving, in cash, the excess of the highest reported share price of GGP stock during the sixty day period prior to the Effective Date over the exercise price of such option, and, accordingly, the amount of Spinco common stock issuable on the Effective Date as a result of the currently outstanding GGP options will be less than the 507,307 shares to the extent such alternative is elected.

Stock-Based Compensation Expense

The Predecessors evaluated stock-based compensation expense in accordance with the GAAP related to share-based payments, which requires companies to estimate the Fair Value of share-based payment awards on the date of grant using an option-pricing model. The value of the portion of an award to our employees that is ultimately expected to vest is recognized as expense over the requisite service periods in the Combined Statements of Loss and Comprehensive Loss. The compensation expense for employees specifically attributed to the Spinco Businesses have been included in the accompanying combined financial statements.

NOTE 7 OTHER ASSETS AND LIABILITIES

The following table summarizes the significant components of prepaid expenses and other assets.

	June 30, 2010	December 31, 2009
	(In thousands)	
Special Improvement District receivable	$ 48,765	$ 48,713
Receivables—other	41,995	37,355
Below-market ground leases (Note 2)	21,188	21,357
Prepaid expenses	17,088	9,465
Security and escrow deposits	6,818	9,487
Other	4,403	8,668
	$ 140,257	$ 135,045

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 7 OTHER ASSETS AND LIABILITIES (Continued)

The following table summarizes the significant components of accounts payable, accrued expenses and other liabilities.

	June 30, 2010	December 31, 2009
	(In thousands)	
Uncertain tax position liability	$ 151,575	$ 66,129
Construction payable	57,656	108,437
Payables to GGP	31,712	30,359
Accounts payable and accrued expenses	25,483	23,087
Above-market ground leases	14,308	14,543
Deferred gains/income	7,465	9,045
Accrued interest	5,650	3,816
Insurance reserve	5,409	5,640
Tenant and other deposits	4,132	4,322
Accrued real estate taxes	4,026	4,548
Accrued payroll and other employee liabilities	2,264	2,754
Other	8,421	3,377
Total accounts payable and accrued expenses	318,101	276,057
Less: amounts subject to compromise (Note 1)	(100,774)	(141,866)
Accounts payable and accrued expenses not subject to compromise	$ 217,327	$ 134,191

NOTE 8 COMMITMENTS AND CONTINGENCIES

In the normal course of business, from time to time, we are involved in legal proceedings relating to the ownership and operations of our properties. In management's opinion, the liabilities, if any, that may ultimately result from such legal actions are not expected to have a material adverse effect on our combined financial position, results of operations or liquidity.

We lease land or buildings at certain properties from third parties. The leases generally provide us with a right of first refusal in the event of a proposed sale of the property by the landlord. Rental payments are expensed as incurred and have, to the extent applicable, been straight-lined over the term of the lease. Contractual rental expense, including participation rent, was $0.7 million for the three months ended June 30, 2010; $1.3 million for the six months ended June 30, 2010; $0.8 million for the three months ended June 30, 2009 and $2.1 million for the six months ended June 30, 2009. The same rent expense excluding amortization of above and below-market ground leases and straight-line rents, as presented in our combined financial statements, was $0.7 million for the three months ended June 30, 2010; $1.4 million for the six months ended June 30, 2010; $0.8 million for the three months ended June 30, 2009 and $2.2 million for the six months ended June 30, 2009.

See Note 5 for our obligations related to uncertain tax positions for disclosure of additional contingencies.

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 8 COMMITMENTS AND CONTINGENCIES (Continued)

Contingent Stock Agreement

In conjunction with GGP's acquisition of The Rouse Company ("TRC") in November 2004, GGP assumed TRC's obligations under the Contingent Stock Agreement, (the "CSA"). TRC entered into the CSA in 1996 when it acquired The Hughes Corporation ("Hughes"). This acquisition included various assets, including Summerlin (the "CSA Assets"), a development in our Master Planned Communities segment. The CSA is an unsecured obligation of GGP and therefore, GGP's obligations to the former Hughes owners or their successors (the "Beneficiaries") under the CSA are subject to treatment in accordance with applicable requirements of the bankruptcy law and any plan of reorganization that will be confirmed by the Bankruptcy Court.

Under the terms of the CSA, GGP was required through August 2009 to issue shares of its common stock semi-annually (February and August) to the Beneficiaries with the number of shares to be issued in any period based on cash flows from the development and/or sale of the CSA Assets and GGP's stock price. The Beneficiaries' share of earnings from the CSA Assets has been accounted for in our combined financial statements as a land sales operations expense, with the difference between such share of operations and the share of cash flows paid remaining as a contingent obligation. During 2009, GGP was not obligated to deliver any shares of its common stock under the CSA as the net development and sales cash flows were negative for the applicable periods. During 2008, 356,661 shares of GGP common stock (from treasury shares) were delivered to the Beneficiaries pursuant to the CSA.

Under the terms of the CSA, GGP was also required to make a final distribution to the Beneficiaries in 2010, following a final valuation of the remaining CSA Assets as of December 31, 2009. The CSA set forth a methodology for establishing this final valuation and required the payment be made in shares of GGP common stock. On August 4, 2010, the Bankruptcy Court entered an order directing the parties to proceed with an expedited appraisal process for the CSA assets and directing the parties to choose an independent appraiser to assist in the valuation process. Although the final payment may be in a range of amounts, we have estimated an amount to satisfy the obligations with respect to the final CSA distribution requirement. Accordingly, as of December 31, 2009, we recorded an incremental intercompany liability from GGP classified in our equity net of the accrued contingent obligation related to the share of previous earnings of the CSA assets, with such amount reflected as additional investment (approximately $178 million) in the CSA Assets (that is, contingent consideration) that are to be transferred to us pursuant to the Plan and as an intercompany transaction with GGP. The actual amount of the final distribution by GGP to the Beneficiaries remains subject to determination by the Bankruptcy Court.

NOTE 9 RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

As of January 1, 2009, we adopted new GAAP related to business combinations, which will change how business acquisitions are accounted for and will impact our financial statements both on the acquisition date and in subsequent periods.

On June 12, 2009, the FASB issued new generally accepted accounting guidance that amends the consolidation guidance applicable to variable interest entities. The amendments to the consolidation guidance affect all entities and enterprises currently within the scope of the previous guidance and are effective to the Company on January 1, 2010. We have adopted this new pronouncement and it did not have a material impact on our combined financial statements.

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 9 RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS (Continued)

In June 2009, the FASB issued new GAAP guidance related to the accounting standards codification and the hierarchy of GAAP. The codification's content will carry the same level of authority, effectively superseding previous related guidance. The GAAP hierarchy has been modified to include only two levels of GAAP: authoritative and nonauthoritative. This new guidance was effective for us in the third quarter of 2009. The effect of the implementation of this new guidance on our combined financial statements resulted in the conversion of previously referenced specific accounting guidance to a "plain English" reference.

NOTE 10 SEGMENTS

We have two business segments which offer different products and services. Our segments are managed separately because each requires different operating strategies or management expertise. We do not distinguish or group our combined operations on a geographic basis. Further, all operations are within the United States and no customer or tenant comprises more than 10% of combined revenues. Our reportable segments are as follows:

- Master Planned Communities—includes the development and sale of land, primarily in large-scale, long-term community development projects in and around Columbia, Maryland; Summerlin, Nevada; and Houston, Texas

- Strategic Development—includes the operation, development and management of our land holdings and redevelopment sites, including the current incidental rental property operations (primarily retail and other interests in real estate at such locations) as well as our one residential condominium project located in Natick (Boston), Massachusetts

The operating measure used to assess operating results for the business segments is adjusted earnings before interest, income taxes, depreciation and amortization ("Adjusted EBITDA"). Adjusted EBITDA also excludes reorganization items, strategic initatives, provisions for impairment and allocation to noncontrolling interest and, accordingly, management believes that Adjusted EBITDA provides useful information about a property's operating performance.

The accounting policies of the segments are the same as those described in Note 1, except that we report the operations of our Real Estate Affiliates using the proportionate share method rather than the equity method. Under the proportionate share method, our share of the revenues and expenses of our Real Estate Affiliates are aggregated with the revenues and expenses of combined properties. Under the equity method, our share of the net revenues and expenses of our Real Estate Affiliates are reported as a single line item, Equity in income (loss) of Real Estate Affiliates, in our Combined Statements of Loss and Comprehensive loss. This difference affects only the reported revenues and operating expenses of the segments and has no effect on our reported net earnings. In addition, other revenue includes the Adjusted EBITDA of discontinued operations and is reduced by the Adjusted EBITDA attributable to our noncontrolling interests.

The total cash expenditures for additions to long-lived assets for the Master Planned Communities segment was $30.6 million for the six months ended June 30, 2010 and $24.4 million for the six months ended June 30, 2009. Similarly, cash expenditures for long-lived assets for the Strategic Development segment were $37.1 million for the six months ended June 30, 2010 and $18.8 million for the six months ended June 30, 2009. Such amounts for the Master Planned Communities segment and the Strategic Development segment are included in the amounts listed as Land/residential development and

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 10 SEGMENTS (Continued)

acquisitions expenditures and Acquisition/development of real estate and property additions/improvements, respectively, in our Combined Statements of Cash Flows.

Segment operating results are as follows:

	Three Months Ended June 30, 2010		
	Combined Properties	Real Estate Affiliates	Segment Basis
		(In thousands)	
Master Planned Communities			
Land sales	$ 7,037	$ 13,337	$ 20,374
Land sales operations	(10,780)	(8,759)	(19,539)
Master Planned Communities Adjusted EBITDA	(3,743)	4,578	835
Strategic Development			
Property revenues:			
Minimum rents	$ 16,969	$ 1,341	$ 18,310
Tenant recoveries	4,433	—	4,433
Overage rents	452	—	452
Other, including noncontrolling interests	1,738	8,585	10,323
Total property revenues	23,592	9,926	33,518
Property operating expenses:			
Real estate taxes	4,051	261	4,312
Property maintenance costs	1,439	291	1,730
Marketing	250	—	250
Other property operating costs	9,479	7,886	17,365
Provision for doubtful accounts	256	—	256
Property management and other costs	4,861	—	4,861
Total property operating expenses	20,336	8,438	28,774
Strategic Development Adjusted EBITDA	3,256	1,488	4,744
Total Segments Adjusted EBITDA	$ (487)	$ 6,066	$ 5,579

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 10 SEGMENTS (Continued)

	Three Months Ended June 30, 2009		
	Combined Properties	Real Estate Affiliates	Segment Basis
		(In thousands)	
Master Planned Communities			
Land sales	22,448	13,419	35,867
Land sales operations	(21,845)	(9,705)	(31,550)
Master Planned Communities Adjusted EBITDA	603	3,714	4,317
Strategic Development			
Property revenues:			
Minimum rents	$ 17,169	$ 4,172	$ 21,341
Tenant recoveries	4,629	—	4,629
Overage rents	284	—	284
Other, including noncontrolling interests	1,622	8,944	10,566
Total property revenues	23,704	13,116	36,820
Property operating expenses:			
Real estate taxes	3,407	206	3,613
Property maintenance costs	1,125	318	1,443
Marketing	182	—	182
Other property operating costs	7,287	10,213	17,500
Provision for doubtful accounts	607	—	607
Property management and other costs	4,276	—	4,276
Total property operating expenses	16,884	10,737	27,621
Strategic Development Adjusted EBITDA	6,820	2,379	9,199
Total Segments Adjusted EBITDA	$ 7,423	$ 6,093	$ 13,516

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 10 SEGMENTS (Continued)

	Six Months Ended June 30, 2010		
	Combined Properties	Real Estate Affiliates	Segment Basis
		(In thousands)	
Master Planned Communities			
Land sales	12,107	25,972	38,079
Land sales operations	(20,597)	(18,741)	(39,338)
Master Planned Communities Adjusted EBITDA	(8,490)	7,231	(1,259)
Strategic Development			
Property revenues:			
Minimum rents	$ 34,000	$ 2,384	$ 36,384
Tenant recoveries	9,252	—	9,252
Overage rents	912	—	912
Other, including noncontrolling interests	3,148	15,844	18,992
Total property revenues	47,312	18,228	65,540
Property operating expenses:			
Real estate taxes	7,029	518	7,547
Property maintenance costs	3,283	246	3,529
Marketing	507	—	507
Other property operating costs	17,694	14,986	32,680
Provision for doubtful accounts	357	—	357
Property management and other costs	8,996	—	8,996
Total property operating expenses	37,866	15,750	53,616
Strategic Development Adjusted EBITDA	9,446	2,478	11,924
Total Segments Adjusted EBITDA	$ 956	$ 9,709	$ 10,665

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 10 SEGMENTS (Continued)

	Six Months Ended June 30, 2009		
	Combined Properties	Real Estate Affiliates	Segment Basis
		(In thousands)	
Master Planned Communities			
Land sales	31,434	18,520	49,954
Land sales operations	(32,454)	(14,473)	(46,927)
Master Planned Communities Adjusted EBITDA	(1,020)	4,047	3,027
Strategic Development			
Property revenues:			
Minimum rents	$ 33,517	$ 6,954	$ 40,471
Tenant recoveries	9,782	—	9,782
Overage rents	850	—	850
Other, including minority interest	(463)	17,853	17,390
Total property revenues	43,686	24,807	68,493
Property operating expenses:			
Real estate taxes	6,282	377	6,659
Property maintenance costs	2,228	641	2,869
Marketing	460	—	460
Other property operating costs	16,020	20,397	36,417
Provision for doubtful accounts	1,212	—	1,212
Property management and other costs	8,431	—	8,431
Total property operating expenses	34,633	21,415	56,048
Strategic Development Adjusted EBITDA	9,053	3,392	12,445
Total Segments Adjusted EBITDA	$ 8,033	$ 7,439	$ 15,472

SPINCO, INC.

NOTES TO UNAUDITED COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 10 SEGMENTS (Continued)

The following reconciles Adjusted EBITDA to GAAP-basis operating loss:

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
	(In thousands)			
Reconciliation of Segment Basis Adjusted EBITDA ("AEBITDA") and EBITDA to GAAP Net (Loss) Income Attributable to GGP				
AEBITDA	$ 5,579	$ 13,516	$ 10,665	$ 15,472
Strategic initiatives	—	(2,054)	—	(5,114)
Provisions for impairment	(208)	(56,157)	(486)	(140,180)
Debt extinguishment costs	—	(9)	—	(9)
Reorganization items	(10,019)	(2,017)	(26,614)	(2,017)
EBITDA	(4,648)	(46,721)	(16,435)	(131,848)
Depreciation and amortization	(4,946)	(5,966)	(10,421)	(12,805)
Amortization of deferred finance costs	(152)	(119)	(305)	(552)
Interest income	253	233	762	516
Interest expense	(1,623)	(752)	(3,549)	(1,437)
Provision for income taxes	(16,901)	(4,600)	(18,550)	2,845
Allocation to noncontrolling interests	(25)	(21)	(73)	(65)
Net loss attributable to GGP	$ (28,042)	$ (57,946)	$ (48,571)	$ (143,346)

The following reconciles segment revenues to GAAP-basis combined revenues:

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
	(In thousands)			
Reconciliation of Segment Basis Revenues to GAAP Revenues				
Master Planned Communities—Total Segment	$ 20,374	$ 35,867	$ 38,079	$ 49,954
Strategic Development—Total Segment	33,518	36,820	65,540	68,493
Total Segment revenues	53,892	72,687	103,619	118,447
less:				
Woodlands land sales revenues	13,337	13,419	25,972	18,520
Strategic Development Real Estate Affiliates revenues	9,926	13,116	18,228	24,807
Total combined revenues—GAAP basis	$ 30,629	$ 46,152	$ 59,419	$ 75,120

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
General Growth Properties, Inc.
Chicago, Illinois

We have audited the accompanying combined balance sheets of certain entities that are expected to be transferred to Spinco, Inc., an indirect subsidiary of General Growth Properties, Inc., and are under common ownership and common control of General Growth Properties, Inc., (the "Spinco Businesses"), as of December 31, 2009 and 2008, and the related combined statements of loss and comprehensive loss, equity and cash flows for each of the three years in the period ended December 31, 2009. These financial statements are the responsibility of the Spinco Businesses' management. Our responsibility is to express an opinion on these financial statements based on our audits. Certain entities within the Spinco Businesses and General Growth Properties, Inc. are Debtors-in-Possession.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Spinco Businesses are not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Spinco Businesses' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such combined financial statements present fairly, in all material respects, the combined financial position of the Spinco Businesses as of December 31, 2009 and 2008, and the combined results of their operations and their combined cash flows for each of the three years in the period ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the combined financial statements, the combined financial statements of the Spinco Businesses include allocations of certain operating expenses from General Growth Properties, Inc. These costs may not be reflective of the actual level of costs which would have been incurred had the Spinco Businesses operated as an independent, stand-alone entity separate from General Growth Properties, Inc.

As discussed in Note 1 to the combined financial statements, certain entities of the Spinco Businesses as well as General Growth Properties, Inc. and certain of its subsidiaries have filed for reorganization under Chapter 11 of the United States Bankruptcy Code ("Chapter 11"). The accompanying financial statements do not purport to reflect or provide for the consequences of the bankruptcy proceedings. In particular, such financial statements do not purport to show (a) as to assets, their realizable value on a liquidation basis or their availability to satisfy liabilities; (b) as to prepetition liabilities, the amounts that may be allowed for claims or contingencies, or the status and priority thereof; (c) as to equity accounts, the effect of any changes that may be made in the capitalization of the Spinco Businesses; or (d) as to operations, the effect of any changes that may be made in its business.

The accompanying financial statements have been prepared assuming that the Spinco Businesses will continue as a going concern. Spinco, Inc. was formed in 2010 to hold the Spinco Businesses pursuant to the General Growth Properties, Inc. plan of reorganization under Chapter 11 (the "Plan"). The consummation of the Plan, and therefore the receipt of such assets and liabilities by Spinco, Inc., depends, in part, on General Growth Properties, Inc.'s ability to negotiate and obtain confirmation of the Plan. Uncertainties about the consummation of General Growth Properties, Inc.'s plan of reorganization raise substantial doubt about the Spinco Businesses' ability to continue as a going concern. Management's plans concerning these matters are also discussed in Note 1 to the combined financial statements. The combined financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Deloitte & Touche LLP

Chicago, Illinois
August 24, 2010

SPINCO, INC.

COMBINED BALANCE SHEETS

	December 31, 2009	December 31, 2008
	(In thousands)	
Assets:		
Investment in real estate:		
Land	$ 194,700	$ 205,033
Buildings and equipment	451,279	522,780
Less accumulated depreciation	(85,639)	(103,293)
Developments in progress	258,807	767,228
Net property and equipment	819,147	1,391,748
Investment in and loans to/from Real Estate Affiliates	140,558	169,885
Investment property and property held for development and sale	1,782,470	1,711,395
Net investment in real estate	2,742,175	3,273,028
Cash and cash equivalents	3,204	4,963
Accounts and notes receivable, net	17,359	17,362
Deferred expenses, net	7,444	9,206
Prepaid expenses and other assets	135,045	139,397
Total assets	$ 2,905,227	$ 3,443,956
Liabilities and Equity:		
Liabilities not subject to compromise:		
Mortgages, notes and loans payable	$ 208,860	$ 358,467
Deferred tax liabilities	782,817	794,820
Accounts payable and accrued expenses	134,191	304,854
Liabilities not subject to compromise	1,125,868	1,458,141
Liabilities subject to compromise	275,839	—
Total liabilities	1,401,707	1,458,141
Equity:		
GGP Equity	1,504,364	1,986,938
Accumulated other comprehensive loss	(1,744)	(2,926)
Total GGP equity	1,502,620	1,984,012
Noncontrolling interests in Combined Real Estate Affiliates	900	1,803
Total equity	1,503,520	1,985,815
Total liabilities and equity	$ 2,905,227	$ 3,443,956

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

SPINCO, INC.

COMBINED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

	Years Ended December 31,		
	2009	2008	2007
		(In thousands)	
Revenues:			
Minimum rents	$ 65,653	$ 68,441	$ 78,209
Tenant recoveries	19,642	21,592	22,449
Overage rents	2,701	3,519	5,194
Land sales	45,996	66,557	142,360
Other	2,356	12,398	12,286
Total revenues	136,348	172,507	260,498
Expenses:			
Real estate taxes	13,813	10,418	9,824
Property maintenance costs	5,586	6,113	7,232
Marketing	1,071	1,530	1,646
Other property operating costs	33,739	36,584	35,109
Land sales operations	49,062	63,421	114,210
Provision for doubtful accounts	2,539	1,174	1,301
Property management and other costs	17,643	20,656	26,799
Strategic Initiatives	5,380	1,496	—
Provisions for impairment	680,349	52,511	125,879
Depreciation and amortization	19,841	18,421	22,995
Total expenses	829,023	212,324	344,995
Operating loss	(692,675)	(39,817)	(84,497)
Interest income	1,689	1,914	1,650
Interest expense	(977)	(809)	(146)
Loss before income taxes, equity in income (loss) of Real Estate Affiliates, reorganization items and noncontrolling interests	(691,963)	(38,712)	(82,993)
Benefit from (provision for) income taxes	23,969	(2,703)	10,643
Equity in income (loss) of Real Estate Affiliates	(28,209)	23,506	68,451
Reorganization items	(6,674)	—	—
Loss from continuing operations	(702,877)	(17,909)	(3,899)
Discontinued operations—loss on disposition	(939)	—	—
Net loss	(703,816)	(17,909)	(3,899)
Allocation to noncontrolling interests	204	(100)	(101)
Net loss attributable to GGP	$ (703,612)	$ (18,009)	$ (4,000)
Comprehensive Income (loss), Net:			
Net loss	$ (703,816)	$ (17,909)	$ (3,899)
Other comprehensive income (loss)	1,182	(1,956)	253
Comprehensive loss	(702,634)	(19,865)	(3,646)
Comprehensive income (loss) allocated to noncontrolling interests	204	(100)	(101)
Comprehensive loss attributable to GGP	$ (702,430)	$ (19,965)	$ (3,747)

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

SPINCO, INC.

COMBINED STATEMENTS OF EQUITY

	GGP Equity	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests in Combined Real Estate Affiliates	Total Equity
		(In thousands)		
Balance, January 1, 2007	$ 1,362,511	$ (1,223)	$ 3,950	$ 1,365,238
Net income (loss)	(4,000)		101	(3,899)
Distributions to noncontrolling interests			(2,105)	(2,105)
Other comprehensive income		253		253
Preferred dividends declared			(12)	(12)
Common dividends declared	(114,831)			(114,831)
Contributions from GGP, net	366,028			366,028
Balance, December 31, 2007	$ 1,609,708	$ (970)	$ 1,934	$ 1,610,672
Net income (loss)	(18,009)		100	(17,909)
Distributions to noncontrolling interests			(219)	(219)
Other comprehensive loss		(1,956)		(1,956)
Preferred dividends declared			(12)	(12)
Common dividends declared	(77,807)			(77,807)
Contributions from GGP, net	473,046			473,046
Balance, December 31, 2008	$ 1,986,938	$ (2,926)	$ 1,803	$ 1,985,815
Net loss	(703,612)		(204)	(703,816)
Distributions to noncontrolling interests			(687)	(687)
Other comprehensive income		1,182		1,182
Preferred dividends declared			(12)	(12)
Contributions from GGP, net	221,038			221,038
Balance, December 31, 2009	$ 1,504,364	$ (1,744)	$ 900	$ 1,503,520

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

SPINCO, INC.

COMBINED STATEMENTS OF CASH FLOWS

	Years Ended December 31, 2009	2008	2007
	(In thousands)		
Cash Flows from Operating Activities:			
Net loss	$ (703,816)	$ (17,909)	$ (3,899)
Adjustments to reconcile net loss to net cash used in operating activities:			
Equity in income of Real Estate Affiliates (including provisions for impairment in 2009)	28,209	(23,506)	(68,451)
Provision for doubtful accounts	2,539	1,174	1,301
Distributions received from Real Estate Affiliates	1,406	2,478	73,856
Depreciation	17,145	15,637	20,883
Amortization	2,696	2,784	2,112
Amortization of deferred financing costs and debt market rate adjustments	978	810	147
Amortization (accretion) of intangibles other than in-place leases	220	268	(247)
Straight-line rent amortization	(49)	(306)	(138)
Deferred income taxes including tax restructuring benefit	(23,120)	(6,811)	(53,229)
Loss on dispositions	939	—	—
Provisions for impairment	680,349	52,511	125,879
Land/residential development and acquisitions expenditures	(61,226)	(147,757)	(216,176)
Cost of land sales	22,019	24,516	48,794
Reorganization items-finance costs related to emerged entities	2,158	—	—
Non-cash reorganization items	(11,835)	—	—
Net changes:			
Accounts and notes receivable	(2,487)	3,215	3,810
Prepaid expenses and other assets	24,867	26,387	30,298
Deferred expenses	(1,850)	(3,516)	(2,764)
Accounts payable and accrued expenses	1,941	15,658	(15,710)
Other, net	1,047	3,668	1,493
Net cash used in operating activities	(17,870)	(50,699)	(52,041)
Cash Flows from Investing Activities:			
Acquisition/development of real estate and property additions/improvements	(27,738)	(314,103)	(144,860)
Proceeds from sales of investment properties	6,392	14,821	—
Increase in investments in Real Estate Affiliates	(288)	(717)	(1,348)
Decrease (increase) in restricted cash	202	(202)	—
Net cash used in investing activities	(21,432)	(300,201)	(146,208)
Cash Flows from Financing Activities:			
Principal payments on mortgages, notes and loans payable	(10,465)	(15,509)	(59,276)
Change in GGP investment, net	50,865	374,154	259,297
Finance costs related to emerged entities	(2,158)	—	—
Cash distributions paid to preferred stockholders of Victoria Ward, Ltd.	(12)	(12)	(12)
Cash distributions paid to common stockholders of Victoria Ward, Ltd.	—	(9,990)	(14,831)
Distributions to noncontrolling interests	(687)	(219)	(2,105)
Net cash provided by financing activities	37,543	348,424	183,073
Net change in cash and cash equivalents	(1,759)	(2,476)	(15,176)
Cash and cash equivalents at beginning of period	4,963	7,439	22,615
Cash and cash equivalents at end of period	$ 3,204	$ 4,963	$ 7,439
Supplemental Disclosure of Cash Flow Information:			
Interest paid	$ 48,100	$ 38,200	$ 33,643
Interest capitalized	46,976	38,088	27,918
Reorganization items paid	2,384	—	—
Non-Cash Transactions:			
Change in accrued capital expenditures included in accounts payable and accrued expenses	$ (15,222)	$ 81,376	$ 21,047
Change in CSA accrual	178,130	(13,031)	(5,268)
Mortgage debt market rate adjustment related to emerged entities	11,723	—	—
Other non-cash GGP equity transactions	2,612	44,106	12,009
Recognition of note payable in conjunction with land held for development and sale	6,520	—	—
Non-cash dividends	—	67,817	100,000

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

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION

General

Spinco, Inc. ("Spinco" or the "Company") is a newly formed Delaware corporation that was created to hold certain assets and liabilities of General Growth Properties, Inc. ("GGP") and its subsidiaries (collectively, the "Predecessors"). On April 16, 2009 and April 22, 2009 (collectively, the "Petition Date"), GGP and certain of its subsidiaries (the "Debtors") filed voluntary petitions under Chapter 11 of title 11 of the United States Code (the "Chapter 11 Cases"). On August 17, 2010, GGP filed with the Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") its second amended and restated plan of reorganization (as the same may be amended, modified or supplemented from time to time, the "Plan") for the Debtors remaining in the Chapter 11 Cases (the "Topco Debtors"). Spinco is currently a wholly owned subsidiary of GGP Limited Partnership ("GGPLP"), which is majority owned by GGP. Pursuant to the Plan, Spinco will receive certain of the assets and liabilities of the Predecessors (the "Separation"), which we refer to as our business or "the Spinco Businesses." We expect the reorganization of GGP to be completed during the fourth quarter of 2010 (such time of completion being referred to as the "Effective Date"). On or prior to the Effective Date, approximately 32.5 million shares of common stock of Spinco will be distributed or issued to the common and preferred unit holders of GGPLP, which includes GGP, and then GGP will distribute its portion of such shares pro rata to holders of GGP common stock (the "Distribution"). GGP will not retain any ownership interest in Spinco. The Plan generally provides for the payment/settlement or reinstatement of claims against the TopCo Debtor's, funded with new equity capital provided by investors sponsoring the Plan (the "Plan Sponsors"). As part of the Plan Sponsors commitments, the Plan Sponsors will purchase approximately 5.3 million shares of our common stock for $250 million. The Predecessors' bankruptcies are being jointly administered under the case In re: General Growth Properties, Inc., et al., Case No. 09-11977 in the Bankruptcy Court.

To date, we have not conducted any business as a separate company and have no material assets or liabilities. The operations of the business to be transferred to us by the Predecessors is presented as if the transferred business was our business for all historical periods described and at the historical cost/ carrying value of such assets and liabilities reflected in GGP's books and records. Unless the context otherwise requires, references to "we," "us" and "our" refer to Spinco and its combined subsidiaries after giving effect to the transfer of assets and liabilities from the Predecessors.

On the Effective Date, our assets are expected to consist of the following:

- four master planned communities with an aggregate of 14,704 remaining saleable acres;
- nine mixed-use development opportunities comprised of 1,129 acres;
- four mall developmental projects comprised of 647 acres;
- seven redevelopment-opportunity retail malls with approximately 1 million square feet of existing gross leasable space; and
- interests in eleven other real estate assets or projects.

Our ownership interests in properties in which we own a majority or controlling interest are combined under accounting principles generally accepted in the United States of America ("GAAP"). Our interests in TWCPC Holdings, L.P., ("The Woodlands Commercial"), the Woodlands Operating Company, LP ("The Woodlands Operating") and the Woodlands Land Development Company, LP ("The Woodlands MPC"), all located in Houston, Texas and, collectively, the "Woodlands

NOTE 1 ORGANIZATION (Continued)

Partnerships", and our interests in Westlake Retail Associates, Ltd ("Circle T Ranch") and 170 Retail Associates Ltd ("Circle T Power Center") and, together with Circle T Ranch, "Circle T", located in Dallas/Fort Worth, Texas, are held through joint venture entities in which we own non-controlling interests and are accounted for on the equity method. The Woodlands Partnerships, Circle T and certain cost method (see Note 5) and non-ownership rights are collectively referred to as our "Real Estate Affiliates".

The Predecessors' Bankruptcy

In the fourth quarter of 2008 the Predecessors' halted or slowed nearly all development and redevelopment at our properties due to liquidity concerns, other than those that were substantially complete or could not be deferred as a result of contractual commitments. As described above, as the Predecessors had significant past due, or imminently due, and cross-collateralized or cross-defaulted debt, on the Petition Date, GGP, on behalf of itself and certain of its domestic subsidiaries including certain wholly-owned Spinco Businesses, filed voluntary petitions for the Chapter 11 Cases. The Debtors that sought protection under Chapter 11 that are part of Spinco are collectively referred to as the "Spinco Debtors" and on the Petition Date comprised 33 entities with approximately $268.4 million of secured mortgage loans. However, the entities that own our Bridgeland and Columbia master planned communities, the entities which own substantially all of our eight undeveloped land parcels and our joint ventures, The Woodlands Partnerships and Circle T, among others (collectively, the "Spinco Non-Debtors"), did not seek such relief.

During the pendency of the Chapter 11 Cases, the Debtors' are operating as Debtors in Possession and a debtor is afforded certain protection against its creditors and creditors are prohibited from taking certain actions (such as pursuing collection efforts or proceeding to foreclose on secured obligations) related to debts that were owed prior to the commencement of the Chapter 11 Cases. Accordingly, although the commencement of the Chapter 11 Cases triggered defaults on substantially all debt obligations of the Debtors, creditors are stayed from taking any action as a result of such defaults. Absent an order of the Bankruptcy Court, these pre-petition liabilities are subject to settlement under a plan of reorganization.

Since the Petition Date, the Bankruptcy Court has granted a variety of Debtors' motions that allow them to continue to operate its business in the ordinary course without interruption; and covering, among other things, employee obligations, critical service providers, tax matters, insurance matters, tenant and contractor obligations, claim settlements, ordinary course property sales, cash management, cash collateral, alternative dispute resolution, settlement of pre-petition mechanics liens and department store transactions.

During December 2009, three of the Spinco Debtors (the "Emerged Debtors") with $215.3 million of secured mortgage loans filed consensual plans of reorganization (the "Emerged Plans"). As of December 31, 2009, two of the Emerged Debtors with $146.8 million secured debt had emerged from bankruptcy. The plan of reorganization and emergence from bankruptcy of the remaining Emerged Debtor occurred on July 23, 2010. The Spinco Debtors that remain in Chapter 11 at July 23, 2010 (the "Remaining Spinco Debtors") are expected to emerge from bankruptcy pursuant to the Plan.

The Company was formed in 2010 to hold the Spinco Businesses pursuant to the Plan. The consummation of such plan, and therefore the receipt of such assets and liabilities by the Company, depends, in part, on GGP's ability to obtain confirmation of the Plan. Uncertainties about the

NOTE 1 ORGANIZATION (Continued)

consummation of the Plan raise substantial doubts as to the ability of the Spinco Businesses to continue as a going concern. The accompanying combined financial statements have been prepared in conformity with GAAP applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. However, as a result of the Chapter 11 Cases, such realization of assets and satisfaction of liabilities are subject to a significant number of uncertainties. Our combined financial statements do not reflect any adjustments related to the recoverability of assets and satisfaction of liabilities that might be necessary should we be unable to continue as a going concern.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination and Basis of Presentation

The accompanying combined financial statements include the accounts of the Spinco Businesses in which we have a controlling interest and are presented on a combined basis as the Spinco Businesses have common control and ownership by GGP. The noncontrolling equity holders' share of the assets, liabilities and operations are reflected in noncontrolling interests within permanent equity of the Company. All significant intercompany balances and transactions between the Spinco businesses have been eliminated.

As discussed in Note 1, we were formed for the purpose of holding certain assets and assuming certain liabilities of the Predecessors pursuant to the Plan. We have not conducted any business and will not have any material assets or liabilities until the Separation and the Distribution are completed. No previous historical financial statements for the Spinco Businesses have been prepared and, accordingly, our combined financial statements are derived from the books and records of GGP and were carved-out from GGP at a carrying value reflective of such historical cost in such GGP records. Our historical financial results reflect allocations for certain corporate expenses which include, but are not limited to, costs related to property management, human resources, security, payroll and benefits, legal, corporate communications, information services and restructuring and reorganization. Costs of the services that were allocated or charged to us were based on either actual costs incurred or a proportion of costs estimated to be applicable to us based on a number of factors, most significantly the Company's percentage of GGP's adjusted revenue and assets and the number of properties. We believe these allocations are reasonable; however, these results do not reflect what our expenses would have been had the Company been operating as a separate stand-alone public company. In addition, the Spinco Businesses were operated as subsidiaries of GGP, which operates as a real estate investment trust ("REIT"). We are expected to operate as a taxable corporation. The historical combined financial information presented will therefore not be indicative of the results of operations, financial position or cash flows that would have been obtained if we had been an independent, stand-alone public entity during the periods shown or of our future performance as an independent, stand-alone public entity.

Accounting for Reorganization

The accompanying combined financial statements and the combined condensed financial statements of the Spinco Debtors presented below have been prepared in accordance with the generally accepted accounting principles related to financial reporting by entities in reorganization under the Bankruptcy Code, and on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Such accounting guidance also provides that

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

if a debtor, or group of debtors, has significant combined assets and liabilities of entities which have not sought Chapter 11 bankruptcy protection, the debtors and non-debtors should continue to be combined. However, separate disclosure of financial statement information solely relating to the debtor entities should be presented. Therefore, the combined condensed financial statements presented below solely reflect the financial position and results of operations for the Spinco Debtors which have not emerged from bankruptcy as of December 31, 2009.

Combined Condensed Balance Sheet

	December 31, 2009 (In thousands)
Net investment in real estate	$ 1,859,815
Cash and cash equivalents	1,194
Accounts and notes receivable, net	7,968
Other	111,977
Total assets	$ 1,980,954
Liabilities not subject to compromise:	
Deferred tax liabilities	$ 827,264
Accounts payable and accrued expenses	120,139
Liabilities subject to compromise	275,839
Equity	757,712
Total liabilities and equity	$ 1,980,954

As described above, since the Spinco Debtors commenced their respective Chapter 11 Cases on two different dates in April 2009, combined condensed statements of operations and the combined condensed statement of cash flows is presented from May 1, 2009 to December 31, 2009.

Combined Condensed Statement of Loss

	May 1, 2009 to December 31, 2009
Operating revenues	$ 44,891
Operating expenses	(64,791)
Provision for impairment	(569,199)
Operating loss	(589,099)
Interest income, net	1,081
Provision for income taxes	(4,672)
Equity in loss of Real Estate Affiliates	(1,347)
Reorganization items	(10,922)
Net loss attributable to GGP	$ (604,959)

Table of Contents

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Combined Condensed Statement of Cash Flows

	May 1, 2009 to December 31, 2009
	(In thousands)
Net cash provided by (used in):	
Operating activities	$ (5,695)
Investing activities	1,347
Financing activities	—
Net decrease in cash and cash equivalents	(4,348)
Cash and cash equivalents, beginning of period	5,542
Cash and cash equivalents, end of period	$ 1,194

Pre-Petition Date claims and Classification of Liabilities Subject to Compromise

During September 2009, the Debtors, including the Spinco Debtors, filed with the Bankruptcy Court their schedules of the assets and liabilities existing on the Petition Date. In addition, November 12, 2009 was established by the Bankruptcy Court as the general bar date (the date by which most entities that wished to assert a pre-petition claim against a Debtor had to file a proof of claim in writing). The Debtors have made subsequent amendments to those schedules and, as the bar date has passed, are now in the process of evaluating, reconciling and resolving all claims that were timely submitted. The substantial majority of the claims submitted were erroneous, duplicative or protective and the Debtors have filed, and will continue to file, claim objections with the Bankruptcy Court. Claim objections, that is, differences between liability amounts estimated by the Debtors and claims submitted by creditors that cannot be resolved, will be submitted to the Bankruptcy Court which will make a final determination of the allowable claim. The plans of reorganization for the Emerged Debtors provide that all allowed claims, that is, undisputed or Bankruptcy Court affirmed claims of creditors against the Emerged Debtors, are to be paid in full. Our aggregate liabilities (consisting of Liabilities Subject to Compromise ("LSTC") and not subject to compromise as further described below) include provisions for claims against both the Emerged Debtors and the Remaining Spinco Debtors that were timely submitted to the Bankruptcy Court and have been recorded, as appropriate, based upon the GAAP guidance for the recognition of contingent liabilities and on our evaluations of such claims. Accordingly, although submitted proofs of claim against all Spinco Debtors exceed the amounts recorded for such claims, we currently believe that the aggregate amount of claims recorded by the Spinco Debtors will not vary materially from the amount of claims that will ultimately be allowed or resolved by the Bankruptcy Court.

Liabilities not subject to compromise at December 31, 2009 include: (1) Liabilities of the Spinco non-Debtors; (2) liabilities incurred after the Petition Date; (3) pre-petition liabilities that the Emerged Debtors which have emerged from Bankruptcy at December 31, 2009 expect to pay in full, even though certain of these amounts may not be paid until after the applicable Emerged Debtor's plan of reorganization is effective; and (4) liabilities related to pre-petition contracts that affirmatively have not been rejected. Unsecured liabilities not subject to compromise as of December 31, 2009 with respect to the Emerged Debtors are reflected at the current estimate of the probable amounts to be paid. However, the amounts of such unsecured liabilities related to the associated liabilities not subject to

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

compromise resolved or allowed by the Bankruptcy Court has not yet been determined. In such regard, during February 2010, payments commenced on the Emerged Debtor claims, a process expected to continue for several months as the amounts to be allowed are confirmed by the Bankruptcy Court. With respect to secured liabilities, GAAP bankruptcy guidance provides that Emerged Debtor mortgage loans should be recorded at their estimated Fair Value upon emergence. A discount of approximately $11.7 million was recorded on such $146.8 million of secured debt, with the resulting gain classified as a reorganization item for the year ended December 31, 2009. This discount will be accreted on an effective yield basis into interest expense in future periods as a non-cash item until maturity of the related debt obligation. With respect to the $68.5 million of mortgage loans related to the Emerged Debtor that emerged on July 23, 2010, an additional gain is expected to be recognized. The remaining debt subject to compromise at December 31, 2009 is expected to be reinstated or repaid as provided by the Plan.

All liabilities incurred prior to the Petition Date other than those specified immediately above are considered LSTC. The amounts of the various categories of liabilities that are subject to compromise are set forth below. As described above, these amounts represent the Company's estimates of known or potential pre-petition claims that are likely to be resolved in connection with the Chapter 11 Cases. Such claims remain subject to future adjustments which may result from Plan Debtor/creditor negotiations, actions of the Bankruptcy Court, the determination as to the value of any collateral securing claims, amended proofs of claim, or other events. There can be no assurance that the liabilities represented by claims against a particular Debtor will not be found to exceed the Fair Value of its respective assets. This could result in claims being paid at less than 100% of their face value and the equity of the applicable Debtor being diluted or eliminated entirely. The amounts subject to compromise consisted of the following items:

	December 31, 2009 (In thousands)
Mortgages and secured notes	$ 133,973
Accounts payable and accrued liabilities	141,866
Total liabilities subject to compromise	$ 275,839

The classification of liabilities as LSTC or as liabilities not subject to compromise is based on currently available information and analysis. As the Chapter 11 Cases proceed and additional information is received and analysis is completed, or as the Bankruptcy Court rules on relevant matters, the classification of amounts between LSTC and liabilities not subject to compromise may change. The amount of any such changes could be material.

Reorganization Items

Reorganization items are expense or income items that were incurred or realized by the Spinco Debtors as a result of the Chapter 11 Cases and are presented separately in the Combined Statements of Loss and Comprehensive Loss and in the condensed combined statements of operations of the Spinco Debtors presented above. These items include professional fees and similar types of expenses and gains directly related to the Chapter 11 Cases, resulting from activities of the reorganization process, and interest earned on cash accumulated by the Spinco Debtors as a result of the Chapter 11 Cases. Reorganization items included in our Combined Statement of Loss and Comprehensive Loss

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

and in the condensed combined statement of operations of the Spinco Debtors presented above are specific to the Spinco Businesses have been allocated to us and have been reflected in our combined financial statements and in the tables presented below.

In addition, the key employee incentive program (the "KEIP") was subject to approval by the Bankruptcy Court. The KEIP is intended to retain certain key employees of GGP and provides for payment to these GGP employees upon successful emergence from bankruptcy. A portion of the KEIP has been deemed to relate specifically to our employees and probable of being paid and therefore, as of December 31, 2009, we have reflected $2.3 million of KEIP expenses in our combined financial statements.

Reorganization items are as follows:

Reorganization Items	Post-Petition Period Ended December 31, 2009 (In thousands)
Gains on liabilities subject to compromise(1)	$ (11,822)
U.S. Trustee fees(2)	226
Restructuring costs(3)	18,270
Total reorganization items	$ 6,674

(1) This amount primarily relates to a $11.7 million gain that resulted from the required Fair Value of debt adjustment for the entities that emerged from bankruptcy in December 2009. This amount also includes gains from repudiation, rejection or termination of contracts or guarantee of obligations. In addition, such gains reflect agreements reached with certain critical vendors (as defined), which were authorized by the Bankruptcy Court and for which payments on an installment basis began in July 2009.

(2) Estimate of fees due remain subject to confirmation and review by the Office of the United States Trustee ("U.S. Trustee").

(3) Restructuring costs primarily includes (i) professional fees incurred related to the bankruptcy filings, including an allocation of KEIP costs and certain fees estimated to be payable upon successful emergence of all Debtors from bankruptcy and (ii) finance costs incurred by and the write off of unamortized deferred finance costs related to our properties that emerged from bankruptcy in December 2009.

Properties

Real estate assets are stated at cost less any provisions for impairments. Construction and improvement costs incurred in connection with the development of new properties or the redevelopment of existing properties are capitalized to the extent the total carrying amount of the property does not exceed the estimated Fair Value of the completed property. Real estate taxes and interest costs incurred during construction periods are capitalized. Capitalized interest costs are based on qualified expenditures and interest rates in place during the construction period. Capitalized real estate taxes and interest costs are amortized over lives which are consistent with the constructed assets.

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pre-development costs, which generally include legal and professional fees and other directly-related third-party costs, are capitalized as part of the property being developed. In the event a development is no longer deemed to be probable, the costs previously capitalized are expensed (see also our impairment policies in this Note 2 below).

Tenant improvements, either paid directly or in the form of construction allowances paid to tenants, are capitalized and depreciated over the applicable lease term. Maintenance and repairs are charged to expense when incurred. Expenditures for significant betterments and improvements are capitalized.

Depreciation or amortization expense is computed using the straight-line method based upon the following estimated useful lives:

	Years
Buildings and improvements	40 - 45
Equipment, tenant improvements and fixtures	5 - 10

Impairment

Properties, developments in progress and land held for development or redevelopment, including assets to be sold after such development or redevelopment

The generally accepted accounting principles related to accounting for the impairment or disposal of long-lived assets require that if impairment indicators exist and the undiscounted cash flows expected to be generated by an asset are less than its carrying amount, an impairment provision should be recorded to write down the carrying amount of such asset to its Fair Value. We review our real estate assets (including those held by our Real Estate Affiliates), including operating properties, land held for development and sale and developments in progress, for potential impairment indicators whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment indicators for our Master Planned Communities segment are assessed separately for each community and include, but are not limited to, significant decreases in sales pace or average selling prices, significant increases in expected land development and construction costs or cancellation rates, and projected losses on expected future sales. Impairment indicators for our Strategic Development segment are assessed separately for each property and include, but are not limited to, significant decreases in comparable property sale prices, real estate property net operating income and occupancy percentages.

Impairment indicators for pre-development costs, which are typically costs incurred during the beginning stages of a potential development, and developments in progress are assessed by project and include, but are not limited to, significant changes in projected completion dates, revenues or cash flows, development costs, market factors and sustainability of development projects.

If an indicator of potential impairment exists, the asset is tested for recoverability by comparing its carrying amount to the estimated future undiscounted cash flow. The cash flow estimates used both for determining recoverability and estimating Fair Value are inherently judgmental and reflect current and projected trends in rental, occupancy and capitalization rates, and estimated holding periods for the applicable assets. Although the estimated value of certain assets may be exceeded by the carrying amount, a real estate asset is only considered to be impaired when its carrying amount cannot be

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

recovered through estimated future undiscounted cash flows. To the extent an impairment provision is necessary, the excess of the carrying amount of the asset over its estimated Fair Value is expensed to operations. In addition, the impairment provision is allocated proportionately to adjust the carrying amount of the asset. The adjusted carrying amount, which represents the new cost basis of the asset, is depreciated over the remaining useful life of the asset.

We recorded impairment charges of $680.3 million, $52.5 million and $125.9 million for the years ended December 31, 2009, 2008 and 2007, as presented in the table below. All of these impairment charges are included in provisions for impairment in our combined statement of loss and comprehensive loss for the years ended December 31, 2009, 2008 and 2007. Circle T also recorded impairment charges of $38.1 million for the year ended December 31, 2009 on the assets of our Real Estate Affiliates, our share of which, $19.0 million, was included in our equity in earnings of such Real Estate Affiliates.

Investment in Real Estate Affiliates

In accordance with the GAAP related to the equity method of accounting for investments, a series of operating losses of an investee or other factors may indicate that a decrease in value of our investment in the Real Estate Affiliates has occurred which is other-than-temporary. The investment in each of the Real Estate Affiliates is evaluated periodically and as deemed necessary for recoverability and valuation declines that are other than temporary. Accordingly, in addition to the property-specific impairment analysis that we perform on the investment properties, land held for development and sale and developments in progress owned by such joint ventures (as part of our investment property impairment process described above), we also considered the ownership and distribution preferences and limitations and rights to sell and repurchase our ownership interests. We recorded impairment charges related to our investment in Circle T of $10.6 million for the year ended December 31, 2009 to write these investments down to their estimated Fair Value, with such provisions reflected in our equity in income (loss) of Real Estate Affiliates. Based on such evaluations, no provisions for impairment were recorded for the years ended December 31, 2008 and 2007 related to our investments in Real Estate Affiliates. See Note 5 for further disclosure of the provisions for impairment related to certain properties within our Real Estate Affiliates.

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Summary of all Impairment Provisions:

Impaired Asset	Location	Method of Determining Fair Value	Years Ended December 31, 2009	2008	2007
			(In thousands)		
Master Planned Communities:					
Maryland-Columbia Community	Columbia, MD	Projected sales price analysis(1)(5)	$ —	$ —	$ 75,726
Maryland-Fairwood Community	Columbia, MD	Projected sales price analysis(1)(5)	52,767	—	50,075
Total Master Planned Communities			$ 52,767	$ —	$ 125,801
Strategic Development:					
Allen Towne Mall	Allen, TX	Projected sales price analysis(1)(5)	29,063	—	—
Century Plaza	Birmingham, AL	Projected sales price analysis(1)(5)	—	7,819	—
Cottonwood Mall	Holladay, UT	Comparable property market analysis(4)	50,768	—	—
Elk Grove Promenade	Elk Grove, CA	Comparable property market analysis(4)	175,280	—	—
Kendall Town Center	Miami, FL	Projected sales price analysis(1)(5)	35,089	—	33
Landmark Mall	Alexandria, VA	Discounted cash flow analysis(5)	27,323	—	—
Nouvelle at Natick	Natick, MA	Discounted cash flow analysis(5)	55,923	40,346	—
Princeton Land East, LLC	Princeton, NJ	Comparable property market analysis(4)	8,904	—	—
Princeton Land LLC	Princeton, NJ	Comparable property market analysis(4)	13,356	—	—
Redlands Promenade	Redlands, CA	Projected sales price analysis(1)(5)	6,667	—	—
The Bridges At Mint Hill	Charlotte, NC	Comparable property market analysis(4)	16,636	—	—
The Shops At Summerlin Centre	Las Vegas, NV	Comparable property market analysis(4)	176,141	—	—
The Village At Redlands	Redlands, CA	Projected sales price analysis(1)(5)	5,537	—	—
Various pre-development costs		(2)	26,895	4,346	45
Total Strategic Development			627,582	52,511	78
Total Provisions for impairment			$ 680,349	$ 52,511	$ 125,879
Real Estate Affiliates					
Circle T Power Center	Dallas, TX	Projected sales price analysis(1)(5)	$ 17,062	$ —	$ —
The Shops at Circle T Ranch	Dallas, TX	Projected sales price analysis(1)(5)	21,020	—	—
Total			$ 38,082	$ —	$ —
Property held by Real Estate Affiliates, provisions for impairment at our ownership share			19,041	—	—
Impairment of Circle T Investment			10,600	—	—
Real Estate Affiliates provisions for impairment, at our ownership share(3)			$ 29,641	$ —	$ —

(1) Projected sales price analysis incorporates available market information and other management assumptions.

(2) Related to the write down of various pre-development costs that were determined to be non-recoverable due to the related projects being terminated.

(3) Reflected in our equity in income (loss) of Real Estate Affiliates.

(4) These impairments were primarily driven by the management's business plan that excludes these properties from a long term hold period.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(5) These impairments were primarily driven by the carrying value of the assets, including costs expected to be incurred, not being recoverable by the projected sales price of such assets.

General

Certain of our properties had Fair Values less than their carrying amounts. However, based on the Company's plans with respect to those properties, we believe that the carrying amounts are recoverable and therefore, under applicable GAAP guidance, no additional impairments were taken. Nonetheless, due to the tight credit markets, the uncertain economic environment, as well as other uncertainties, or if our plans regarding our assets change, additional impairment charges may be taken in the future. Therefore, we can provide no assurance that material impairment charges with respect to operating properties, Real Estate Affiliates, development in progress or property held for development and sale will not occur in future periods. We will continue to monitor circumstances and events in future periods to determine whether additional impairments are warranted.

Acquisitions of Properties

Certain of the Spinco Businesses, particularly those properties in our Master Planned Communities segment, were purchased by the Predecessors rather than developed. Accordingly, the acquisitions of such properties were accounted for utilizing the acquisition method. Estimates of future cash flows and other valuation techniques were used to allocate the purchase price of acquired property between land, buildings and improvements, equipment, debt liabilities assumed and identifiable intangible assets and liabilities such as amounts related to in-place at-market tenant leases, acquired above and below-market tenant and ground leases and tenant relationships.

Investments in Real Estate Affiliates

We account for investments in joint ventures where we own a non-controlling participating interest using the equity method and, investments in joint ventures where we have virtually no influence on the joint venture's operating and financial policies, on the cost method. Under the equity method, the cost of our investment is adjusted for our share of the equity in earnings (losses) of such Real Estate Affiliates from the date of acquisition and reduced by distributions received. Generally, the operating agreements with respect to our Real Estate Affiliates provide that assets, liabilities and funding obligations are shared in accordance with our ownership percentages. Therefore, we generally also share in the profit and losses, cash flows and other matters relating to our Real Estate Affiliates in accordance with our respective ownership percentages. Differences between the carrying amount of our investment in the Real Estate Affiliates and our share of the underlying equity of such Real Estate Affiliates are amortized over lives ranging from five to forty five years. For cost method investments, we recognize earnings to the extent of distributions received from such investments.

Cash and Cash Equivalents

Highly-liquid investments with maturities at dates of purchase of three months or less are classified as cash equivalents.

Deferred Expenses

Deferred expenses consist principally of financing fees and leasing costs and commissions. Deferred financing fees are amortized to interest expense using the effective interest method (or other

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

methods which approximate the effective interest method) over the terms of the respective financing agreements. Deferred leasing costs and commissions are amortized using the straight-line method over periods that approximate the related lease terms. Deferred expenses in our Combined Balance Sheets are shown at cost, net of accumulated amortization, of $7.4 million as of December 31, 2009 and $9.2 million as of December 31, 2008.

Revenue Recognition and Related Matters

Minimum rent revenues are recognized on a straight-line basis over the terms of the related leases. Minimum rent revenues also include amounts collected from tenants to allow the termination of their leases prior to their scheduled termination dates and accretion related to above and below-market tenant leases on acquired properties. Termination income recognized for the years ended December 31, 2009, 2008 and 2007 was $0.3 million, $0.4 million and $0.3 million, respectively. Net accretion related to above and below-market tenant leases for the years ended December 31, 2009 and 2008, respectively, yielded reductions in minimum rents of approximately $0.4 million in each year and an increase in minimum rents of $0.1 million for the year ended December 31, 2007.

Straight-line rent receivables, which represent the current net cumulative rents recognized prior to when billed and collectible as provided by the terms of the leases, of $3.2 million as of December 31, 2009 and $4.8 million as of December 31, 2008, are included in Accounts and notes receivable, net in our combined financial statements.

Percentage rent in lieu of fixed minimum rent received from tenants for the years ended December 31, 2009, 2008 and 2007 was $3.0 million, $3.7 million and $4.3 million, respectively, and is included in Minimum rents in our combined financial statements.

We provide an allowance for doubtful accounts against the portion of accounts receivable, including straight-line rents, which is estimated to be uncollectible. Such allowances are reviewed periodically based upon our recovery experience. We also evaluate the probability of collecting future rent which is recognized currently under a straight-line methodology. This analysis considers the long-term nature of our leases, as a certain portion of the straight-line rent currently recognizable will not be billed to the tenant until future periods. Our experience relative to unbilled deferred rent receivable is that a certain portion of the amounts recorded as straight-line rental revenue are never collected from (or billed to) tenants due to early lease terminations. For that portion of the otherwise recognizable deferred rent that is not deemed to be probable of collection, no revenue is recognized. Accounts receivable in our Combined Balance Sheets are shown net of an allowance for doubtful accounts of $16.8 million as of December 31, 2009 and $21.7 million as of December 31, 2008. The following table summarizes the changes in allowance for doubtful accounts:

	2009	2008
	(in thousands)	
Balance as of January 1	$ 21,712	$ 22,041
Provisions for doubtful accounts	2,539	1,174
Write-offs	(7,439)	(1,503)
Balance as of December 31	$ 16,812	$ 21,712

Overage Rent ("Overage Rent") is paid by a tenant when its sales exceed an agreed upon minimum amount. Overage Rent is calculated by multiplying the sales in excess of the minimum

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

amount by a percentage defined in the lease. Overage Rent is recognized on an accrual basis once tenant sales exceed contractual tenant lease thresholds. Recoveries from tenants are established in the leases or computed based upon a formula related to real estate taxes, insurance and other shopping center operating expenses and are generally recognized as revenues in the period the related costs are incurred.

Revenues from land sales are recognized using the full accrual method provided that various criteria relating to the terms of the transactions and our subsequent involvement with the land sold are met. Criteria include the consummation of the sale with all consideration being exchanged, demonstration of the collectibility of the sales price, the transfer of usual risks and rewards of ownership to the buyer and no substantial continuing involvement by the Company. Revenues relating to transactions that do not meet the established criteria are deferred and recognized when the criteria are met or using the installment or cost recovery methods, as appropriate in the circumstances. Revenues and cost of sales are recognized on a percentage of completion basis for land sale transactions in which we are required to perform additional services and incur significant costs after title has passed.

Cost of land sales is determined as a specified percentage of land sales revenues recognized for each community development project. These cost ratios used are based on actual costs incurred and estimates of future development costs and sales revenues to completion of each project. The ratios are reviewed regularly and revised for changes in sales and cost estimates or development plans. Significant changes in these estimates or development plans, whether due to changes in market conditions or other factors, could result in changes to the cost ratio used for a specific project. The specific identification method is used to determine cost of sales for certain parcels of land, including acquired parcels we do not intend to develop or for which development was complete at the date of acquisition.

Nouvelle at Natick is a 215 unit residential condominium project, located in Natick, Massachusetts. Pursuant to the Plan, only the unsold units at Nouvelle at Natick on the Effective Date will be distributed to us and no deferred revenue or sales proceeds from unit closings prior to the Effective Date will be allocated to us. As of June 30, 2010, 87 units were unsold at Nouvelle at Natick. Income related to unit sales subsequent to the Effective Date is expected to be accounted for on a unit-by-unit basis on the full accrual method.

Income Taxes (Note 7)

Deferred income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred income taxes also reflect the impact of operating loss and tax credit carryforwards. A valuation allowance is provided if we believe it is more likely than not that all or some portion of the deferred tax asset will not be realized. An increase or decrease in the valuation allowance that results from a change in circumstances, and which causes a change in our judgment about the realizability of the related deferred tax asset, is included in the current deferred tax provision. It is possible at or after the Effective Date that the Company could experience a change in control, as defined for federal income tax purposes, that could limit the benefit of deferred tax assets. In addition, we recognize and

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

report interest and penalties, if necessary, related to uncertain tax positions within our provision for income tax expense.

In many of our Master Planned Communities, gains with respect to sales of land for commercial use are reported for tax purposes on the percentage of completion method. Under the percentage of completion method, gain is recognized for tax purposes as costs are incurred in satisfaction of contractual obligations. The method used for determining the percentage complete for income tax purposes is different than that used for financial statement purposes. In addition, gains with respect to sales of land for single family residences are reported for tax purposes under the completed contract method. Under the completed contract method, gain is recognized for tax purposes when 95% of the costs of our contractual obligations are incurred or the contractual obligation is transferred.

Earnings Per Share ("EPS")

Presentation of EPS information is not applicable as all of our common stock (1,000 shares, authorized and issued), since the date of our formation on July 1, 2010, is owned by GGP.

Fair Value Measurements

We adopted the generally accepted accounting principles related to Fair Value measurements as of January 1, 2008 for our financial assets and liabilities and as of January 1, 2009 for our non-financial assets and liabilities. We do not have any derivative financial instruments and our investments in marketable securities are immaterial to our combined financial statements.

The accounting principles for Fair Value measurements establish a three-tier Fair Value hierarchy, which prioritizes the inputs used in measuring Fair Value. These tiers include:

- Level 1—defined as observable inputs such as quoted prices for identical assets or liabilities in active markets;
- Level 2—defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and
- Level 3—defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The asset or liability Fair Value measurement level within the Fair Value hierarchy is based on the lowest level of any input that is significant to the Fair Value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Any Fair Values utilized or disclosed in our combined financial statements were developed for the purpose of complying with the accounting principles established for Fair Value measurements.

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following table summarizes our assets and liabilities that are measured at Fair Value on a nonrecurring basis:

	Total Fair Value Measurement	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total (Loss) Gain Year Ended December 31, 2009
			(In thousands)		
Investments in real estate:					
Allen Towne Mall	$ 25,900	$ —	$ 25,900	$ —	$ (29,063)
The Bridges At Mint Hill	14,100	—	14,100	—	(16,636)
Cottonwood Mall(1)	21,500	—	—	21,500	(50,768)
Elk Grove Promenade	21,900	—	21,900	—	(175,280)
Fairwood Master Planned Community	12,629	—	12,629	—	(52,767)
Kendall Town Center(2)	13,931	—	—	13,931	(35,089)
Landmark Mall(1)	49,501	—	—	49,501	(27,323)
Nouvelle At Natick(2)	64,661	—	—	64,661	(55,923)
Princeton Land East, LLC	8,802	—	8,802	—	(8,904)
Princeton Land LLC	11,948	—	11,948	—	(13,356)
Redlands Promenade	6,727	—	—	6,727	(6,667)
The Shops At Summerlin Centre	46,300	—	46,300	—	(176,141)
The Village At Redlands	7,545	—	—	7,545	(5,537)
Total investments in real estate	$ 305,444	$ —	$ 141,579	$ 163,865	$ (653,454)
Debt:(3)					
Fair value of emerged entity mortgage debt	$ 134,089	$ —	$ —	$ 134,089	$ 11,723
Total liabilities	$ 134,089	$ —	$ —	$ 134,089	$ 11,723

(1) The Fair Value was calculated based on a discounted cash flow analysis using property specific discount rates ranging from 9.25% to 12.00% and residual capitalization rates ranging from 8.50% to 11.50%.

(2) The Fair Value is based on estimated sales value.

(3) The Fair Value of debt relates to the 2 properties that emerged from bankruptcy in December 2009.

Fair Value of Financial Instruments

The Fair Values of our financial instruments approximate their carrying amount in our financial statements except for debt. Notwithstanding that we do not believe that a fully-functioning market for real property financing exists at December 31, 2009, GAAP guidance requires that management estimate the Fair Value of our debt. However, as a result of the Spinco Debtors' Chapter 11 filings, the Fair Value for the outstanding debt that is included in liabilities subject to compromise in our Combined Balance Sheets cannot be reasonably determined at December 31, 2009 as the timing and amounts to be paid are subject to confirmation by the Bankruptcy Court. For the $208.9 million of

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

mortgages, notes and loans payable outstanding that are not subject to compromise at December 31, 2009, management's required estimates of Fair Value are presented below. This Fair Value was estimated solely for financial statement reporting purposes and should not be used for any other purposes, including to estimate the value of any of the Company's securities or to estimate the appropriate interest rate for consensual and non consensual restructuring of secured debt in our Chapter 11 Cases. We estimated the Fair Value of this debt based on quoted market prices for publicly-traded debt, recent financing transactions (which may not be comparable), estimates of the Fair Value of the property that serves as collateral for such debt, historical risk premiums for loans of comparable quality, current London Interbank Offered Rate ("LIBOR"), a widely quoted market interest rate which is frequently the index used to determine the rate at which we borrow funds and US treasury obligation interest rates, and on the discounted estimated future cash payments to be made on such debt. The discount rates estimated reflect our judgment as to what the approximate current lending rates for loans or groups of loans with similar maturities and credit quality would be if credit markets were operating efficiently and assume that the debt is outstanding through maturity. We have utilized market information as available or present value techniques to estimate the amounts required to be disclosed, or, in the case of the debt of the Emerged Debtors, recorded due to GAAP bankruptcy emergence guidance (as described above and in Note 6). Since such amounts are estimates that are based on limited available market information for similar transactions and do not acknowledge transfer or other repayment restrictions that may exist in specific loans, it is unlikely that the estimated Fair Value of any of such debt could be realized by immediate settlement of the obligation.

	2009		2008	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
	(In thousands)			
Fixed-rate debt	$ 208,860	$ 205,406	$ 354,803	$ 358,447
Variable-rate debt	—	—	3,664	3,675
	$ 208,860	$ 205,406	$ 358,467	$ 362,122

Included in such amounts for 2009 is $134.1 million of debt that relates to the 2 properties that emerged from bankruptcy in December 2009 where the carrying value of the debt was adjusted by $11.7 million to an estimated Fair Value of such debt (based on significant unobservable Level 3 Inputs).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. For example, significant estimates and assumptions have been made with respect to useful lives of assets, capitalization of development and leasing costs, provision for income taxes, recoverable amounts of receivables and deferred taxes, initial valuations and related amortization periods of deferred costs and intangibles, allocations of the Predecessors' property and asset management costs to the Spinco Businesses, impairment of long-lived assets, valuation of debt of emerged entities and cost ratios and completion percentages used for land sales. Actual results could differ from these and other estimates.

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 3 INTANGIBLES

Intangible Assets and Liabilities

The following table summarizes our intangible assets and liabilities:

	Gross Asset (Liability)	Accumulated (Amortization)/ Accretion	Net Carrying Amount
		(In thousands)	
As of December 31, 2009			
Tenant leases:			
In-place value	$ 13,063	$ (10,875)	$ 2,188
Above-market	2,323	(1,883)	440
Below-market	(86)	72	(14)
Ground leases:			
Above-market	(16,968)	2,425	(14,543)
Below-market	23,096	(1,739)	21,357
As of December 31, 2008			
Tenant leases:			
In-place value	$ 18,062	$ (15,033)	$ 3,029
Above-market	2,858	(2,052)	806
Below-market	(125)	97	(28)
Ground leases:			
Above-market	(16,968)	1,367	(15,601)
Below-market	23,096	(1,400)	21,696

Changes in gross asset (liability) balances in 2009 are the result of the allocation of provisions for impairment (Note 2) and our policy of writing off fully amortized intangible assets.

The gross asset balances of the in-place value of tenant leases are included in Buildings and equipment in our Combined Balance Sheets. Acquired in-place at-market tenant leases are amortized over periods that approximate the related lease terms. The above-market and below-market tenant and ground leases are included in Prepaid expenses and other assets and Accounts payable and accrued expenses as detailed in Note 10. Above and below-market lease values are amortized over the remaining non-cancelable terms of the respective leases.

Amortization/accretion of these intangible assets and liabilities, and similar assets and liabilities from our Real Estate Affiliates at our share, decreased our income (excluding the impact of noncontrolling interest and the provision for income taxes) by $0.3 million in 2009, $1.4 million in 2008 and $6.7 million in 2007.

Future amortization, including our share of such items from Real Estate Affiliates, is estimated to decrease income (excluding the impact of noncontrolling interest and the provision for income taxes) by $0.8 million in 2010, $0.5 million in 2011, $0.3 million in 2012, $0.2 million in 2013 and $0.1 million in 2014.

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 4 DISCONTINUED OPERATIONS AND LOSS ON DISPOSITION OF INTEREST IN PROPERTY

On December 21, 2009, we sold one office building (which, although located in Woodlands Texas, was owned separately from the Woodlands Partnerships) totaling approximately 38,400 square feet and 4.1995 acres of land for a total sales price of $2.0 million, resulting in a total loss of $0.9 million.

We evaluated the operations of this property pursuant to the requirements of the generally accepted accounting principles related to business combinations and concluded that the operations of this office building did not materially impact the prior period results and therefore have not reported any prior operations of this property as discontinued operations in the accompanying combined financial statements.

NOTE 5 REAL ESTATE AFFILIATES

We own noncontrolling investments in The Woodlands Partnerships and Circle T. We share in the profits and losses, cash flows and other matters relating to our investments in such Real Estate Affiliates in accordance with our respective ownership percentages. Our unaffiliated joint venture partners manage the properties owned by these joint ventures. As we have joint interest and control of these ventures with our venture partners, we account for these joint ventures using the equity method.

As of December 31, 2009, approximately $377.9 million of indebtedness was secured by the properties owned by our Real Estate Affliliates, our share of which was approximately $198.4 million. There can be no assurance that we will be able to refinance or restructure such debt (including the $171.2 million of debt maturing in 2010) on acceptable terms or otherwise, or that joint venture operations or contributions by us and/or our partners will be sufficient to repay such loans.

Circle T recorded a $38.1 million provision for impairment related to the properties and we recorded a $10.6 million provision for impairment with respect to our investment in such joint venture, for the year ended December 31, 2009 based on a projected sales price analysis incorporating available market information and other management assumptions. Such impairment charges are included in equity in income (loss) from Real Estate Affiliates in our combined financial statements.

Condensed Combined Financial Information of Certain Real Estate Affiliates

We own a 52.5% economic interest in The Woodlands Partnerships. The Woodlands Partnerships include the venture developing the master planned community known as The Woodlands (whose operations are included in the Master Planned Communities segment) and also hold the beneficial interests in other commercial real estate within the Woodlands community, including the conference center (whose operations are reflected in the Strategic Development segment), all located near Houston, Texas. The remaining 47.5% economic interests in The Woodlands Partnerships are owned by Morgan Stanley Real Estate Fund II, L.P., a majority owned subsidiary of which provides all the management services for The Woodlands Partnerships.

We own a 50% interest in the two Circle T ventures with AIL Investment, LP., an investment partnership owned by Hillwood Development Company of Dallas, Texas. When developed, Circle T Ranch is envisioned to be a 1 million square foot, open-air regional mall and Circle T Power Center would be a 750,000 square feet big-box retail complex.

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 5 REAL ESTATE AFFILIATES (Continued)

As The Woodlands Partnerships and Circle T are accounted for on the equity method, the following summarized financial information as of December 31, 2009 and 2008 and for the years ended December 31, 2009, 2008 and 2007 is presented below:

	December 31, 2009	December 31, 2008
	(In thousands)	
Condensed Combined Balance Sheets—Real Estate Affiliates		
Assets:		
Land	$ 31,077	$ 27,809
Buildings and equipment	207,051	170,813
Less accumulated depreciation	(73,866)	(71,307)
Developments in progress	55,996	131,661
Net property and equipment	220,258	258,976
Investment property and property held for development and sale	266,253	282,636
Net investment in real estate	486,511	541,612
Cash and cash equivalents	35,569	52,888
Accounts and notes receivable, net	66,460	20,630
Deferred expenses, net	1,189	2,243
Prepaid expenses and other assets	40,561	103,333
Total assets	$ 630,290	$ 720,706
Liabilities and Owners' Equity:		
Mortgages, notes and loans payable	$ 377,964	$ 443,379
Accounts payable, accrued expenses and other liabilities	107,700	125,022
Owners' equity	144,626	152,305
Total liabilities and owners' equity	$ 630,290	$ 720,706
Investment In and Loans To/From Real Estate Affiliates, Net:		
Owners' equity	$ 144,626	$ 152,305
Less joint venture partners' equity	(69,147)	(73,744)
Capital or basis differences and loans	65,079	91,324
Investment in and loans to/from Real Estate Affiliates, net	$ 140,558	$ 169,885

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 5 REAL ESTATE AFFILIATES (Continued)

	Years Ended December 31,		
	2009	2008	2007
		(In thousands)	
Condensed Combined Statements of Income (Loss)—Real Estate Affiliates			
Revenues:			
Minimum rents	$ 21,713	$ 19,779	$ 15,136
Land sales	72,367	137,504	161,938
Other	62,762	80,360	210,723
Total revenues	156,842	237,643	387,797
Expenses:			
Real estate taxes	1,314	1,180	686
Repairs and maintenance	4,778	2,985	1,827
Other property operating costs	72,607	86,968	114,936
Land sales operations	60,717	81,833	91,539
Provisions for impairment	38,082	—	—
Depreciation and amortization	10,004	8,075	9,500
Total expenses	187,502	181,041	218,488
Operating (loss) income	(30,660)	56,602	169,309
Interest income	1,265	814	1,246
Interest expense	(6,905)	(11,297)	(17,999)
Benefit from (provision for) income taxes	678	(1,575)	(5,955)
(Loss) income from continuing operations	(35,622)	44,544	146,601
Net (loss) income attributable to joint venture partners	$ (35,622)	$ 44,544	$ 146,601
Equity In Income (Loss) of Real Estate Affiliates:			
Net (loss) income attributable to joint venture partners	$ (35,622)	$ 44,544	$ 146,601
Joint venture partners' share of loss (income)	17,874	(21,157)	(69,638)
Amortization of capital or basis differences	(10,461)	119	(8,512)
Equity in (loss) income of Real Estate Affiliates	$ (28,209)	$ 23,506	$ 68,451

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 6 MORTGAGES, NOTES AND LOANS PAYABLE

Mortgages, notes and loans payable are summarized as follows (see Note 12 for the maturities of our long term commitments):

	December 31, 2009	December 31, 2008
	(In thousands)	
Fixed Rate debt:		
Collateralized mortgages, notes and loans payable	$ 342,833	$ 354,803
Variable Rate debt:		
Collateralized mortgages, notes and loans payable	—	3,664
Total Mortgages, notes and loans payable	342,833	358,467
Less: Mortgages, notes and loans payable subject to compromise	(133,973)	—
Total mortgages, notes and loans payable not subject to compromise	$ 208,860	$ 358,467

As previously discussed, on April 16 and 22, 2009, the Debtors filed voluntary petitions for relief under Chapter 11, which triggered defaults on substantially all debt obligations of the Debtors. However, under section 362 of Chapter 11, the filing of a bankruptcy petition automatically stays most actions against the debtor's estate. Absent an order of the Bankruptcy Court, these pre-petition liabilities are subject to settlement under a plan of reorganization, and therefore are presented as Liabilities subject to compromise on the Combined Balance Sheet as of December 31, 2009. Of the total amount of debt presented above, $208.9 million is not subject to compromise, consisting of the collateralized mortgages of the Spinco Debtors that emerged from bankruptcy as of December 31, 2009. Also, as discussed in Note 1, $68.5 million of mortgages of the Emerged Debtors were reflected as subject to compromise at December 31, 2009 as the effective dates of their plans of reorganization did not occur as of December 31, 2009. Such mortgage loan amounts will be reclassified to be reflected as not subject to compromise in 2010. The remaining debt subject to compromise at December 31, 2009 is expected to be reinstated or repaid as provided by the Plan.

As of December 31, 2009, as described in Note 1, plans of reorganization for the Emerged Debtors, associated with approximately $146.8 million of mortgage debt, were effective. The Emerged Plans for such Emerged Debtors provided for, in exchange for payment of certain extension fees and cure of previously unpaid amounts due on the applicable mortgage loans (primarily, principal amortization otherwise scheduled to have been paid since the Petition Date), the extension of the secured mortgage loans at previously existing non-default interest rates. As a result of the extensions, weighted average remaining duration of the secured loans associated with these properties is 4.61 years. In conjunction with these extensions, certain financial and operating covenants were agreed to or reinstated. With respect to those loans and Spinco Debtors that remain in bankruptcy at December 31, 2009, we are currently recognizing interest expense on our loans based on contract interest rate payments rates in effect prior to bankruptcy as the Bankruptcy Court has ruled that such contract rates constitutes adequate protection to the secured lenders. In addition, our Chapter 11 Cases have stayed the enforcement of the default provisions of certain covenants with respect to the Remaining Spinco Debtors.

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 6 MORTGAGES, NOTES AND LOANS PAYABLE (Continued)

Collateralized Mortgages, Notes and Loans Payable

As of December 31, 2009, $315.8 million of land, buildings and equipment and developments in progress (before accumulated depreciation) have been pledged as collateral for our mortgages, notes and loans payable. Substantially all of the $342.8 million of fixed and variable rate secured mortgage notes and loans payable are non-recourse. In addition, certain mortgage loans as of December 31, 2009 contain other credit enhancement provisions which have been provided by the TopCo Debtors upon which GGP does not expect to perform during the pendency of the Chapter 11 Cases. These security or credit enhancement provisions are to be modified pursuant to the Plan, including, among other things, to substitute us for GGP. Certain mortgage notes payable may be prepaid but are generally subject to a prepayment penalty equal to a yield-maintenance premium, defeasance or a percentage of the loan balance.

Letters of Credit and Surety Bonds

We had outstanding letters of credit and surety bonds of $76.5 million as of December 31, 2009 and $109.0 million as of December 31, 2008. These letters of credit and bonds were issued primarily in connection with insurance requirements, special real estate assessments and construction obligations.

NOTE 7 INCOME TAXES

Although GGP operated as a REIT, certain of the Spinco Businesses operated as taxable REIT subsidiaries. Given the overall make-up of the Spinco Businesses, particularly the business of our Master Planned Communities segment, we will not elect to be treated as a REIT and thus will generally be taxed as a C corporation. However, one of our combined entities, Victoria Ward, Ltd. ("Ward", substantially all of which is owned by us) elected to be taxed as a REIT under sections 856-860 of the Internal Revenue Code of 1986, as amended (the "Code"), commencing with the taxable year beginning January 1, 2002. To qualify as a REIT, Ward must meet a number of organizational and operational requirements, including requirements to distribute at least 90% of its ordinary taxable income and to distribute to stockholders or pay tax on 100% of capital gains and to meet certain asset and income tests. Ward has satisfied such REIT distribution requirements for 2009.

As a REIT, Ward will generally not be subject to corporate level Federal income tax on taxable income distributed currently to its stockholders. If Ward fails to qualify as a REIT in any taxable year, it will be subject to Federal income taxes at regular corporate rates (including any applicable alternative minimum tax) and may not be able to qualify as a REIT for four subsequent taxable years. Even if it qualified for taxation as a REIT, Ward may be subject to certain state and local taxes on its income or property, and to Federal income and excise taxes on undistributed taxable income. In addition, Ward is subject to rules which may impose corporate income tax on certain built-in gains recognized upon the disposition of assets owned by Ward or its qualified REIT subsidiaries where such entities (or other predecessors) had formerly been C corporations. These rules apply only where the disposition occurs within certain specified recognition periods. However, to the extent that any such properties subject to the built-in gain tax are to be sold, Ward intends to utilize tax strategies when prudent, such as dispositions through like-kind exchanges to limit or offset the amount of such gains and therefore the amount of tax paid, although the market climate and our business needs may not allow for such strategies to be implemented.

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 7 INCOME TAXES (Continued)

The provision for (benefit from) income taxes for the years ended December 31, 2009, 2008 and 2007 was as follows:

	2009	2008	2007
Current	$ (849)	$ 9,514	$ 42,586
Deferred	(23,120)	(6,811)	(53,229)
Total	$ (23,969)	$ 2,703	$ (10,643)

Income tax expense computed by applying the Federal corporate tax rate for the years ended December 31, 2009, 2008 and 2007 is reconciled to the provision for income taxes as follows:

	2009	2008	2007
Tax at statutory rate on earnings from continuing operations before income taxes	$ (254,653)	$ (5,356)	$ (5,123)
Increase (decrease) in valuation allowances, net.	7,267	1,470	—
State income taxes, net of Federal income tax benefit	(2,728)	476	(5,641)
Tax at statutory rate on REIT earnings (losses) not subject to Federal income taxes	220,836	18,589	6,082
Tax expense (benefit) from change in tax rates, permanent differences and other	257	(11,241)	(1,631)
Tax benefit from Private REIT/TRS restructuring	—	—	(7,433)
Expiration of capital loss carryforwards	3,726	—	—
Uncertain tax position expense, excluding interest	—	200	(532)
Uncertain tax position interest, net of Federal income tax benefit	1,326	(1,435)	3,635
Income tax expense (benefit)	$ (23,969)	$ 2,703	$ (10,643)

Realization of a deferred tax benefit is dependent upon generating sufficient taxable income in future periods. Our net operating loss carryforwards are currently scheduled to expire in subsequent years through 2030. Some of the net operating loss carryforward amounts are subject to annual limitations under Section 382 of the Code. This annual limitation under Section 382 is subject to modification if a taxpayer recognizes what are called "built-in gain items." It is possible that the Company could, in the future, experience a change in control pursuant to Section 382 that could put additional limits on the benefit of deferred tax assets.

The amounts and expiration dates of operating loss and tax credit carryforwards for tax purposes for the TRS's are as follows:

	Amount (In thousands)	Expiration Dates
Net operating loss carryforwards—Federal	$ 61,868	2023 - 2030
Net operating loss carryforwards—State	11,862	2010 - 2030
Tax credit carryforwards—Federal AMT	847	n/a

As of December 31, 2009 and 2008, the Company had gross deferred tax assets totaling $200.8 million and $178.0 million, and gross deferred tax liabilities of $975.0 million and $971.3 million,

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 7 INCOME TAXES (Continued)

respectively. We have established a valuation allowance in the amount of $8.7 million and $1.5 million as of December 31, 2009 and 2008, respectively, against certain deferred tax assets for which it is more likely than not that such deferred tax assets will not be realized.

The tax effects of temporary differences and carryforwards included in the net deferred tax liabilities at December 31, 2009 and 2008 are summarized as follows:

	2009	2008
Property Associated with Master Planned Communities, primarily differences in the tax basis of land assets and treatment of interest and other costs	$ (704,541)	$ (714,409)
Operating Property, primarily differences in basis of assets and liabilities	30,524	14,667
Deferred income	(270,382)	(256,921)
Interest deduction carryforwards	142,073	142,073
Operating loss and tax credit carryforwards	28,246	21,241
Valuation allowance	(8,737)	(1,471)
Net deferred tax liabilities	$ (782,817)	$ (794,820)

The deferred tax liability associated with the master planned communities is largely attributable to the difference between the basis and value determined as of the date of the acquisition by the Predecessors of The Rouse Company ("TRC") in 2004 adjusted for sales that have occurred since that time. The cash cost related to this deferred tax liability is dependent upon the sales price of future land sales and the method of accounting used for income tax purposes. The deferred tax liability related to deferred income is the difference between the income tax method of accounting and the financial statement method of accounting for prior sales of land in our Master Planned Communities.

Although we believe our tax returns are correct, the final determination of tax examinations and any related litigation could be different than what was reported on the returns. In the opinion of management, we have made adequate tax provisions for years subject to examination. Generally, we are currently open to audit under the statute of limitations by the Internal Revenue Service for the years ending December 31, 2005 through 2009 and are open to audit by state taxing authorities for years ending December 31, 2004 through 2009.

Two of our subsidiaries are subject to IRS audit for the years ended December 31, 2007 and December 31, 2008, and in connection with such audits, the IRS has proposed changes resulting in $148.2 million of additional tax. We have disputed the proposed changes and it is the Company's position that the tax law in question has been properly applied and reflected in the 2007 and 2008 returns for these two subsidiaries. We are currently considering a settlement offer from the IRS and cannot predict when these audits will be resolved. We have previously provided for the additional taxes sought by the IRS, through our uncertain tax position liability or deferred tax liabilities. Although we believe our tax returns are correct, the final determination of tax examinations and any related litigation could be different than what was reported on the returns. In the opinion of management, we have made adequate tax provisions for years subject to examination.

On January 1, 2007, we adopted a generally accepted accounting principle related to accounting for uncertainty in income taxes, which prescribes a recognition threshold that a tax position is required to meet before recognition in the financial statements and provides guidance on derecognition,

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 7 INCOME TAXES (Continued)

measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition issues.

At January 1, 2007, we had total unrecognized tax benefits of $64.1 million, excluding accrued interest, of which none would impact our effective tax rate. These unrecognized tax benefits increased our income tax liabilities by $0.4 million, and cumulatively reduced retained earnings by $0.4 million. As of January 1, 2007, we had accrued interest of $4.1 million related to these unrecognized tax benefits and no penalties. Prior to adoption of the generally accepted accounting principle related to accounting for uncertainty in income taxes, we did not treat either interest or penalties related to tax uncertainties as part of income tax expense. With the adoption of the generally accepted accounting principle related to accounting for uncertainty in income taxes, we have chosen to change this accounting policy. As a result, we will recognize and report interest and penalties, if necessary, within our provision for income tax expense from January 1, 2007 forward. We recognized potential interest expense (benefit) related to the unrecognized tax benefits of $2.0 million, $(2.2) million and $5.6 million for the years ended December 31, 2009, 2008 and 2007, respectively. At December 31, 2009, we had total unrecognized tax benefits of $56.5 million, excluding interest, of which none would impact our effective tax rate.

	2009	2008	2007
		(In thousands)	
Unrecognized tax benefits, opening balance	$ 69,665	$ 69,967	$ 64,145
Gross increases—tax positions in prior period	41	—	—
Gross increases—tax positions in current period	—	3,247	6,270
Gross decreases—tax positions in prior period	(13,198)	(3,549)	(448)
Unrecognized tax benefits, ending balance	$ 56,508	$ 69,665	$ 69,967

Based on our assessment of the expected outcome of existing examinations or examinations that may commence, or as a result of the expiration of the statute of limitations for specific jurisdictions, it is reasonably possible that the related unrecognized tax benefits, excluding accrued interest, for tax positions taken regarding previously filed tax returns will materially change from those recorded at December 31, 2009. A material change in unrecognized tax benefits could have a material effect on our statements of income and comprehensive income. As of December 31, 2009, there is approximately $56.5 million of unrecognized tax benefits, excluding accrued interest, which due to the reasons above, could significantly increase or decrease during the next twelve months.

Earnings and profits, which determine the taxability of dividends to stockholders, differ from net income reported for financial reporting purposes due to differences for Federal income tax reporting purposes in, among other things, estimated useful lives, depreciable basis of properties and permanent and temporary differences on the inclusion or deductibility of elements of income and deductibility of expense for such purposes.

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 8 RENTALS UNDER OPERATING LEASES

We receive rental income from the leasing of retail and other space under operating leases. The minimum future rentals based on operating leases of our combined properties held as of December 31, 2009 are as follows:

Year	Total Minimum Rent (in thousands)
2010	$ 43,030
2011	36,053
2012	31,531
2013	26,247
2014	21,231
Subsequent	71,656

Minimum future rentals exclude amounts which are payable by certain tenants based upon a percentage of their gross sales or as reimbursement of operating expenses and amortization of above and below-market tenant leases. Such operating leases are with a variety of tenants, the majority of which are national and regional retail chains and local retailers, and consequently, our credit risk is concentrated in the retail industry.

NOTE 9 TRANSACTIONS WITH GGP AND OTHER GGP SUBSIDIARIES

Intercompany Transactions

As described in Note 2, the accompanying combined financial statements present the operations of the Spinco Businesses as carved-out from the consolidated financial statements of GGP. Transactions between the Spinco Businesses have been eliminated in the combined presentation. Also as described in Note 2, an allocation of certain centralized GGP costs incurred for activities such as employee benefit programs, property management and asset management functions, centralized treasury, payroll and administrative functions have been made to the property operating costs of Spinco Businesses. Transactions between the Spinco Businesses and GGP or other GGP subsidiaries (for example, for rental income from GGP) have not been eliminated except that end-of-period intercompany balances between GGP and the Spinco Businesses have been considered elements of Spinco equity.

Incentive Stock Plans

Prior to the Chapter 11 Cases, the Predecessors granted qualified and non-qualified stock options and restricted stock to certain GGP officers and key employees whose compensation costs related specifically to our assets. Accordingly, an allocation of stock-based compensation costs pertaining to such employees has been reflected in our combined financial statements for the applicable periods. A similar equity incentive plan is expected to be in place for our employees after the Effective Date.

Pursuant to the Plan, each outstanding option to acquire shares of GGP stock will be converted into (i) an option to acquire the same number of shares of common stock of reorganized GGP and (ii) a separate option to acquire 0.0983 shares of our common stock for each existing option for one share of GGP common stock. The replacement options will have the same terms and conditions as the outstanding GGP Options. As of the Effective Date, we expect 507,307 shares of our common stock to be issuable upon exercise of the Spinco Options. The exercise price per share of a Spinco Option that is converted from a GGP Option shall be computed based upon the relative trading prices of our

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 9 TRANSACTIONS WITH GGP AND OTHER GGP SUBSIDIARIES (Continued)

common stock and reorganized GGP's common stock during the last ten-day trading period ending on or before the sixtieth calendar day following the Effective Date. As the majority of the current outstanding options to acquire shares of GGP have an exercise price in excess of the current trading price of GGP stock, we do not expect that such outstanding options for our stock to be materially dilutive as of the Effective Date. In addition, with respect to certain of the currently outstanding GGP options, the Plan provides that the holders of such options will be given the alternative of receiving, in cash, the excess of the highest reported share price of GGP stock during the sixty day period prior to the Effective Date over the exercise price of such option, and, accordingly, the amount of Spinco common stock issuable on the Effective Date as a result of the currently outstanding GGP options will be less than the 507,307 shares to the extent such alternative is elected.

Stock-Based Compensation Expense

The Predecessors evaluated stock-based compensation expense in accordance with the generally accepted accounting principles related to share-based payments, which requires companies to estimate the Fair Value of share-based payment awards on the date of grant using an option-pricing model. The value of the portion of an award to our employees that is ultimately expected to vest is recognized as expense over the requisite service periods in the Combined Statements of Loss and Comprehensive Loss. The compensation expense for employees specifically attributed to the Spinco Businesses have been included in the accompanying combined financial statements.

NOTE 10 OTHER ASSETS AND LIABILITIES

The following table summarizes the significant components of prepaid expenses and other assets.

	December 31, 2009	December 31, 2008
	(In thousands)	
Special Improvement District receivable	$ 48,713	$ 51,314
Receivables—other	37,355	36,231
Below-market ground leases (Note 2)	21,357	21,696
Prepaid expenses	9,465	11,562
Security and escrow deposits	9,487	9,784
Other	8,668	8,810
	$ 135,045	$ 139,397

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 10 OTHER ASSETS AND LIABILITIES (Continued)

The following table summarizes the significant components of accounts payable and accrued expenses.

	December 31, 2009	December 31, 2008
	(In thousands)	
Construction payable	$ 108,437	$ 123,659
Uncertain tax position liability	66,129	77,245
Payables to GGP*	30,359	28,450
Accounts payable and accrued expenses	23,087	31,791
Above-market ground leases (Note 3)	14,543	15,601
Deferred gains/income	9,045	5,422
Insurance reserve	5,640	5,868
Accrued real estate taxes	4,548	4,040
Tenant and other deposits	4,322	5,672
Accrued interest	3,816	1,684
Accrued payroll and other employee liabilities	2,754	1,343
Other	3,377	4,079
Total accounts payable and accrued expenses	276,057	304,854
Less: amounts subject to compromise (Note 2)	(141,866)	—
Accounts payable and accrued expenses not subject to compromise	$ 134,191	$ 304,854

* Expected to be eliminated pursuant to the Plan.

NOTE 11 COMMITMENTS AND CONTINGENCIES

In the normal course of business, from time to time, we are involved in legal proceedings relating to the ownership and operations of our properties. In management's opinion, the liabilities, if any, that may ultimately result from such legal actions are not expected to have a material adverse effect on our combined financial position, results of operations or liquidity.

We lease land or buildings at certain properties from third parties. The leases generally provide us with a right of first refusal in the event of a proposed sale of the property by the landlord. Rental payments are expensed as incurred and have, to the extent applicable, been straight-lined over the term of the lease. Contractual rental expense, including participation rent, was $3.5 million in 2009, $3.7 million in 2008 and $3.6 million in 2007, while the same rent expense excluding amortization of above and below-market ground leases and straight-line rents, as presented in our combined financial statements, was $3.6 million in 2009, $3.8 million in 2008 and $3.6 million in 2007.

See Note 7 for our obligations related to uncertain tax positions for disclosure of additional contingencies.

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 11 COMMITMENTS AND CONTINGENCIES (Continued)

The following table summarizes the contractual maturities of our long-term commitments. Both long-term debt and ground leases include the related purchase accounting Fair Value adjustments:

	2010	2011	2012	2013	2014	Subsequent / Other	Total
				(In thousands)			
Long-term debt-principal(*)	$ 48,196	$ 10,130	$ 3,740	$ 4,855	$ 54,975	$ 86,964	$ 208,860
Ground lease payments	2,802	2,801	2,809	2,825	2,825	105,921	119,983
Uncertainty in income taxes, including interest	—	—	—	—	—	66,129	66,129
Total	$ 50,998	$ 12,931	$ 6,549	$ 7,680	$ 57,800	$ 259,014	$ 394,972

(*) Excludes approximately $134 million of long-term debt-principal that is subject to compromise.

Contingent Stock Agreement

In conjunction with GGP's acquisition of The Rouse Company ("TRC") in November 2004, GGP assumed TRC's obligations under the Contingent Stock Agreement, (the "CSA"). TRC entered into the CSA in 1996 when it acquired The Hughes Corporation ("Hughes"). This acquisition included various assets, including Summerlin (the "CSA Assets"), a commitment in our Master Planned Communities segment. GGP's obligations to the former Hughes owners or their successors (the "Beneficiaries") under the CSA are subject to treatment in accordance with applicable requirements of the bankruptcy law and any plan of reorganization that may be confirmed by the Bankruptcy Court.

Under the terms of the CSA, GGP was required through August 2009 to issue shares of its common stock semi-annually (February and August) to the Beneficiaries with the number of shares to be issued in any period based on cash flows from the development and/or sale of the CSA Assets and GGP's stock price. The Beneficiaries' share of earnings from the CSA Assets has been accounted for in our consolidated financial statements as a land sales operations expense, with the difference between such share of operations and the share of cash flows paid remaining as a contingent obligation. During 2009, GGP was not obligated to deliver any shares of its common stock under the CSA as the net development and sales cash flows were negative for the applicable periods. During 2008, 356,661 shares and during 2007, 698,601 shares of GGP common stock were delivered to the Beneficiaries pursuant to the CSA.

Under the terms of the CSA, GGP was also required to make a final distribution to the Beneficiaries in 2010, following a final valuation of the remaining CSA Assets as of December 31, 2009. The CSA set forth a methodology for establishing this final valuation and required the payment be made in shares of GGP common stock. On August 4, 2010, the Bankruptcy Court entered an order directing the parties to proceed with an expedited appraisal process for the CSA assets and directing the parties to choose an independent appraiser to assist in the valuation process. Although the final payment may be in a range of amounts, we have estimated an amount to satisfy the obligations with respect to the final CSA distribution requirement. Accordingly, as of December 31, 2009, we recorded an incremental intercompany liability from GGP classified in our equity net of the accrued contingent obligation related to the share of previous earnings of the CSA assets, with such amount reflected as additional investment (approximately $178 million) in the CSA Assets (that is, contingent consideration) which is included in investment property and property held for development and sale.

NOTE 11 COMMITMENTS AND CONTINGENCIES (Continued)

The actual amount of the final distribution by GGP to the Beneficiaries remains subject to determination by the Bankruptcy Court.

NOTE 12 RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

As of January 1, 2009, we adopted a new generally accepted accounting principle related to business combinations, which will change how business acquisitions are accounted for and will impact our financial statements both on the acquisition date and in subsequent periods.

On June 12, 2009, the FASB issued new generally accepted accounting guidance that amends the consolidation guidance applicable to variable interest entities. The amendments to the consolidation guidance affect all entities and enterprises currently within the scope of the previous guidance and are effective to the Company on January 1, 2010. Although the amendments significantly affected the overall consolidation analysis under previously issued guidance, there was no significant impact to our combined financial statements for this new guidance.

In June 2009, the FASB issued new generally accepted accounting guidance related to the accounting standards codification and the hierarchy of generally accepted accounting principles. The codification's content will carry the same level of authority, effectively superseding previous related guidance. The GAAP hierarchy has been modified to include only two levels of GAAP: authoritative and nonauthoritative. This new guidance was effective for us in the third quarter of 2009.

NOTE 13 SEGMENTS

We have two business segments which offer different products and services. Our segments are managed separately because each requires different operating strategies or management expertise. We do not distinguish or group our combined operations on a geographic basis. Further, all operations are within the United States and no customer or tenant comprises more than 10% of combined revenues. Our reportable segments are as follows:

- Master Planned Communities—includes the development and sale of land, in large-scale, long-term community development projects in and around Columbia, Maryland; Summerlin, Nevada; and Houston, Texas

- Strategic Development—includes the operation, development and management of our land holdings and redevelopment sites, including the current incidental rental property operations (primarily retail and other interests in real estate at such locations) as well as our one residential condominium project located in Natick (Boston), Massachusetts

The operating measure used to assess operating results for our business segments is adjusted earnings before interest, income taxes, depreciation and amortization ("Adjusted EBITDA"). Adjusted EBITDA also excludes reorganization items, strategic initatives, provisions for impairment and allocation to noncontrolling interests. Management believes that Adjusted EBITDA provides useful information about a property's operating performance.

The accounting policies of the segments are the same as those described in Note 2, except that we report the operations of our Real Estate Affiliates using the proportionate share method rather than the equity method. Under the proportionate share method, our share of the revenues and expenses of our Real Estate Affiliates are aggregated with the revenues and expenses of combined properties.

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 13 SEGMENTS (Continued)

Under the equity method, our share of the net revenues and expenses of our Real Estate Affiliates are reported as a single line item, Equity in income (loss) of Real Estate Affiliates, in our Combined Statements of Loss and Comprehensive Loss. This difference affects only the reported revenues and operating expenses of the segments and has no effect on our reported net earnings. In addition, other revenue includes the Adjusted EBITDA of discontinued operations and is reduced by the Adjusted EBITDA attributable to our noncontrolling interests.

The total cash expenditures for additions to long-lived assets for the Master Planned Communities segment was $61.2 million for the year ended December 31, 2009, $147.8 million for the year ended December 31, 2008 and $216.2 million for the year ended December 31, 2007. Similarly, cash expenditures for long-lived assets for the Strategic Development segment was $27.7 million for the year ended December 31, 2009, $314.1 million for the year ended December 31, 2008 and $144.9 million for the year ended December 31, 2007. Such amounts for the Master Planned Communities segment and the Strategic Development segment are included in the amounts listed as Land/residential development and acquisitions expenditures and Acquisition/development of real estate and property additions/improvements, respectively, in our Combined Statements of Cash Flows.

Segment operating results are as follows:

	Year Ended December 31, 2009		
	Combined Properties	Real Estate Affiliates	Segment Basis
		(In thousands)	
Master Planned Communities			
Land sales	$ 45,996	$ 37,993	$ 83,989
Land sales operations	(49,062)	(33,684)	(82,746)
Master Planned Communities Adjusted EBITDA	(3,066)	4,309	1,243
Strategic Development			
Property revenues:			
Minimum rents	65,653	12,686	78,339
Tenant recoveries	19,642	—	19,642
Overage rents	2,701	—	2,701
Other	2,356	32,950	35,306
Total property revenues	90,352	45,636	135,988
Property operating expenses:			
Real estate taxes	13,813	690	14,503
Property maintenance costs	5,586	2,508	8,094
Marketing	1,071	—	1,071
Other property operating costs	33,739	38,119	71,858
Provision for doubtful accounts	2,539	—	2,539
Property management and other costs	17,643	—	17,643
Total property operating expenses	74,391	41,317	115,708
Strategic Development Adjusted EBITDA	15,961	4,319	20,280
Total Segments Adjusted EBITDA	$ 12,895	$ 8,628	$ 21,523

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 13 SEGMENTS (Continued)

	Year Ended December 31, 2008		
	Combined Properties	Real Estate Affiliates	Segment Basis
		(In thousands)	
Master Planned Communities			
Land sales	$ 66,557	$ 72,189	$ 138,746
Land sales operations	(63,421)	(46,311)	(109,732)
Master Planned Communities Adjusted EBITDA	3,136	25,878	29,014
Strategic Development			
Property revenues:			
Minimum rents	68,441	12,557	80,998
Tenant recoveries	21,592	—	21,592
Overage rents	3,519	—	3,519
Other	12,398	42,189	54,587
Total property revenues	105,950	54,746	160,696
Property operating expenses:			
Real estate taxes	10,418	619	11,037
Property maintenance costs	6,113	1,567	7,680
Marketing	1,530	—	1,530
Other property operating costs	36,584	45,658	82,242
Provision for doubtful accounts	1,174	—	1,174
Property management and other costs	20,656	—	20,656
Total property operating expenses	76,475	47,844	124,319
Strategic Development Adjusted EBITDA	29,475	6,902	36,377
Total Segments Adjusted EBITDA	$ 32,611	$ 32,780	$ 65,391

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 13 SEGMENTS (Continued)

	Year Ended December 31, 2007		
	Combined Properties	Real Estate Affiliates	Segment Basis
		(In thousands)	
Master Planned Communities			
Land sales	$ 142,360	$ 85,017	$ 227,377
Land sales operations	(114,210)	(57,813)	(172,023)
Master Planned Communities Adjusted EBITDA	28,150	27,204	55,354
Strategic Development			
Property revenues:			
Minimum rents	78,209	10,504	88,713
Tenant recoveries	22,449	—	22,449
Overage rents	5,194	—	5,194
Other	12,286	58,218	70,504
Total property revenues	118,138	68,722	186,860
Property operating expenses:			
Real estate taxes	9,824	360	10,184
Property maintenance costs	7,232	959	8,191
Marketing	1,646	—	1,646
Other property operating costs	35,109	60,341	95,450
Provision for doubtful accounts	1,301	—	1,301
Property management and other costs	26,799	—	26,799
Total property operating expenses	81,911	61,660	143,571
Strategic Development Adjusted EBITDA	36,227	7,062	43,289
Total Segments Adjusted EBITDA	$ 64,377	$ 34,266	$ 98,643

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 13 SEGMENTS (Continued)

	Historical Year Ended December 31, 2009	2008	2007
Reconciliation of Segment Basis Adjusted EBITDA and EBITDA to GAAP Net (Loss) Income Attributable to GGP			
AEBITDA	$ 21,523	$ 65,391	$ 98,643
Strategic Initiatives	(5,380)	(1,496)	—
Provisions for impairment	(709,990)	(52,511)	(125,879)
Debt extinguishment costs	(9)	—	(618)
Reorganization items	(6,674)	—	—
Discontinued operations gains (losses) on dispositions	(939)	—	41,975
EBITDA	(701,469)	11,384	14,121
Depreciation and amortization	(25,110)	(22,470)	(25,690)
Amortization of deferred finance costs	(916)	(720)	(1,194)
Interest income	2,353	2,341	2,304
Interest expense	(2,999)	(4,914)	(957)
Benefit from (provision for) income taxes	24,325	(3,530)	7,517
Allocation to noncontrolling interests	204	(100)	(101)
Net loss attributable to GGP	$ (703,612)	$ (18,009)	$ (4,000)

The following reconciles segment revenues to GAAP-basis combined revenues:

	Years Ended December 31, 2009	2008	2007
		(In thousands)	
Master Planned Communities—Total Segment	$ 83,989	$ 138,746	$ 227,377
Strategic Development—Total Segment	135,988	160,696	186,860
Total Segment revenues	219,977	299,442	414,237
less:			
Woodlands land sales revenues	37,993	72,189	85,017
Strategic Development Real Estate Affiliates revenues	45,636	54,746	68,722
Total combined revenues—GAAP basis	$ 136,348	$ 172,507	$ 260,498

The assets by segment and the reconciliation of total segment assets to the total assets in the combined financial statements at December 31, 2009 and 2008 are summarized as follows:

	December 31, 2009	December 31, 2008
	(In thousands)	
Master Planned Communities	$ 2,006,790	$ 1,908,222
Strategic Development	1,099,394	1,775,769
Total segment assets	3,106,184	3,683,991
Real Estate Affiliates	(330,452)	(376,968)
Corporate and other	129,495	136,933
Total combined assets	$ 2,905,227	$ 3,443,956

SPINCO, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

NOTE 14 QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	2009			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(In thousands)			
Total revenues	$ 28,968	$ 46,152	$ 30,260	$ 30,968
Operating loss(1)	(92,304)	(55,744)	(42,427)	(502,200)
Loss from continuing operations(1)	(85,356)	(57,925)	(24,380)	(535,216)
Loss from discontinued operations	—	—	—	(939)
Net loss attributable to GGP(2)	(85,400)	(57,946)	(24,415)	(535,851)

	2008			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(In thousands)			
Total revenues	$ 38,283	$ 39,580	$ 31,919	$ 62,725
Operating income (loss)	5,229	2,459	(49,555)	2,050
Income (loss) from continuing operations	8,633	8,286	(43,255)	8,427
Net income (loss) attributable to GGP(2)	8,604	8,264	(43,267)	8,390

(1) Operating loss and loss from continuing operations in the fourth quarter of 2009 were primarily due to provisions for impairment (Note 2) and property level bankruptcy claims. Such losses were partially offset by gains on liabilities subject to compromise (Note 2).

(2) Earnings (loss) per share for the quarters have not been presented due to 100% of our equity being owned by GGP for all applicable periods.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
General Growth Properties, Inc.
Chicago, Illinois

We have audited the combined financial statements of certain entities that are expected to be transferred to Spinco, Inc., an indirect subsidiary of General Growth Properties, Inc., and are under common ownership and common control of General Growth Properties, Inc., (the "Spinco Businesses") as of December 31, 2009 and 2008, and for each of the three years in the period ended December 31, 2009, and have issued our report thereon dated August 24, 2010 (for which the report on the combined financial statements expresses an unqualified opinion and includes explanatory paragraphs regarding the Spinco Businesses' inclusion of allocations of certain operating expenses from General Growth Properties, Inc., the Spinco Businesses' bankruptcy proceedings, and the Spinco Businesses' ability to continue as a going concern); such combined financial statements and report are included elsewhere in this Form 10. Our audits also included the combined financial statement schedule of the Spinco Businesses listed in Item 15 of this Form 10. This combined financial statement schedule is the responsibility of the Spinco Businesses' management. Our responsibility is to express an opinion based on our audits. In our opinion, such combined financial statement schedule, when considered in relation to the basic combined financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ Deloitte & Touche LLP

Chicago, Illinois
August 24, 2010

SPINCO, INC.

SCHEDULE III—REAL ESTATE AND ACCUMULATED DEPRECIATION

DECEMBER 31, 2009

			Initial Cost(b)		Costs Capitalized Subsequent to Acquisition(c)		Gross Amounts at Which Carried at Close of Period(d)						
Name of Center	Location	Encumbrances(a)	Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total	Accumulated Depreciation(e)	Date of Construction	Date Acquired	Life Upon Which Latest Income Statement is Computed
Master Planned Communities													
Bridgeland	Houston, TX	$ 29,812	$ 257,222	$ —	$ 130,053	$ 1,123	$ 387,275	$ 1,123	$ 388,398	$ 412		2004	(e)
Columbia	Howard County, MD	—	457,552	—	(335,898)	66	121,654	66	121,720	6		2004	(e)
Summerlin	Summerlin, NV	52,199	990,179	—	241,532	33	1,231,711	33	1,231,744	2		2004	(e)
Other		—	—	—	16	—	16	—	16	—			
Total Master Planned Communities		**82,011**	**1,704,953**	**—**	**35,703**	**1,222**	**1,740,656**	**1,222**	**1,741,878**	**420**			
Strategic Development:													
110 N. Wacker	Chicago, IL	44,959	—	29,035	—	4,269	—	33,304	33,304	9,007		1997	(e)
Alameda Plaza	Pocatello, ID	—	740	2,060	—	13	740	2,073	2,813	387		2002	(e)
Century Plaza	Birmingham, AL	—	3,164	28,514	—	(14,290)	3,164	14,224	17,388	6		1997	(e)
Columbia Offices	Howard County, MD		1,575	31,431	—	1,084	1,575	32,515	34,090	9,161		2005	(e)
Cottonwood Mall	Salt Lake City, UT	—	7,613	42,987	(4,713)	(25,583)	2,900	17,404	20,304	—		2002	(e)
Cottonwood Square	Salt Lake City, UT	—	1,558	4,339	—	218	1,558	4,557	6,115	847		2002	(e)
Landmark Mall	Alexandria, VA	—	28,396	67,235	(10,038)	(36,664)	18,358	30,571	48,929	—		2003	(e)
Park West	Peoria, AZ	—	16,526	77,548	1	(2,915)	16,527	74,633	91,160	5,301	2008		(e)
Rio West Mall	Gallup, NM	—	—	19,500	—	7,469	—	26,969	26,969	15,239		1986	(e)
Nouvelle at Natick	Natick, MA	—	—	—	1,920	39,898	1,920	39,898	41,818	—			
Riverwalk Marketplace	New Orleans, LA	—	—	94,513	—	(2,397)	—	92,116	92,116	11,324		2004	(e)
South Street Seaport	New York, NY	—	—	10,872	—	(5,382)	—	5,490	5,490	2,416		2004	(e)
Ward Centers	Honolulu, HI	202,997	164,007	89,321	(18,429)	114,151	145,578	203,472	349,050	27,361		2002	(e)
Development in progress, and other		12,866	25,895	—	(21,595)	171,532	4,300	171,532	175,832	4,170			
Total Strategic Development		**260,822**	**249,474**	**497,355**	**(52,854)**	**251,403**	**196,620**	**748,758**	**945,378**	**85,219**			
Total Spinco		**$ 342,833**	**$1,954,427**	**$ 497,355**	**$ (17,151)**	**$ 252,625**	**$1,937,276**	**$ 749,980**	**$2,687,256**	**$ 85,639**			

SPINCO, INC.

SCHEDULE III—REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)

SPINCO, INC.
NOTES TO SCHEDULE III

(a) See description of mortgages, notes and other debt payable in Note 6 of Notes to Combined Financial Statements.

(b) Initial cost for constructed malls is cost at end of first complete calendar year subsequent to opening.

(c) For retail and other properties, costs capitalized subsequent to acquisitions is net of cost of disposals or other property write-downs. For Master Planned Communities, costs capitalized subsequent to acquisitions are net of land sales.

(d) The aggregate cost of land, buildings and improvements for federal income tax purposes is approximately $2.2 billion.

(e) Depreciation is computed based upon the following estimated lives:

	Years
Buildings, improvements and carrying costs	40-45
Equipment, tenant improvements and fixtures	5-10

	Reconciliation of Real Estate		
	2009	2008	2007
(In thousands)			
Balance at beginning of year	$ 3,206,436	$ 2,787,779	$ 2,609,077
Change in Master Planned Communities land	179,765	191,857	84,394
Additions	238,020	630,868	340,171
Impairments	(680,349)	(52,511)	(125,879)
Dispositions and write-offs	(256,616)	(351,557)	(119,984)
Balance at end of year	$ 2,687,256	$ 3,206,436	$ 2,787,779

	Reconciliation of Accumulated Depreciation		
	2009	2008	2007
(In thousands)			
Balance at beginning of year	$ 103,293	$ 101,384	$ 92,208
Depreciation expense	17,145	15,637	20,883
Dispositions and write-offs	(34,799)	(13,728)	(11,707)
Balance at end of year	$ 85,639	$ 103,293	$ 101,384

Independent Accountants' Report

Executive Committee
TWLDC Holdings, L.P.
The Woodlands, Texas

We have audited the accompanying consolidated balance sheets of TWLDC Holdings, L.P., as of December 31, 2009 and 2008, and the related consolidated statements of earnings, changes in partners' equity and cash flows for the years then ended. These financial statements are the responsibility of The Woodlands Partnerships' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TWLDC Holdings, L.P., as of December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, in 2009, The Woodlands Partnerships changed its method of accounting for noncontrolling interests in its consolidated financial statements.

/s/ BKD, LLP

Houston, Texas
April 26, 2010

TWLDC Holdings, L.P.

Consolidated Balance Sheets

December 31, 2009 and 2008

(dollars in thousands)

	2009	2008
Assets		
Cash and cash equivalents	$ 35,766	$ 52,886
Trade receivables	7,202	16,096
Inventories	583	666
Prepaid and other current assets	3,377	3,178
Notes and contracts receivable, net	78,791	73,283
Real estate, net	474,858	495,173
Other assets	4,943	5,789
Total assets	$ 605,520	$ 647,071
Liabilities and Partners' Equity		
Liabilities:		
Accounts payable and accrued liabilities	$ 25,583	$ 47,798
Payables to affiliates	2,400	2,525
Credit facility	306,539	306,539
Other debt	71,424	94,550
Notes payable to partners	34,657	28,449
Deferred revenue	61,625	57,345
Other liabilities	7,607	8,830
Total liabilities	509,835	546,036
Partners' equity:		
TWLDC Holdings, L.P. equity	90,517	93,067
Noncontrolling interests	5,168	7,968
Total partners' equity	95,685	101,035
Total liabilities and partners' equity	$ 605,520	$ 647,071

See Notes to Consolidated Financial Statements

TWLDC Holdings, L.P.

Consolidated Statements of Earnings

Years Ended December 31, 2009 and 2008

(dollars in thousands)

	2009	2008
Revenues:		
Residential lot sales	$ 53,585	$ 92,833
Commercial land sales	12,681	27,590
Hotel and country club operations	38,706	53,148
Other	19,414	17,870
	124,386	191,441
Costs and expenses:		
Residential lot cost of sales	31,968	48,376
Commercial land cost of sales	2,593	7,926
Hotel and country club operations	38,751	47,631
Operating expenses	34,986	36,540
Depreciation and amortization	9,366	7,201
	117,664	147,674
Operating earnings	6,722	43,767
Other (income) expense:		
Interest expense	16,064	24,075
Interest capitalized	(4,988)	(10,050)
Amortization of debt costs	1,930	1,806
Other	(4,966)	(3,590)
	8,040	12,241
Earnings (loss) from continuing operations before income taxes	(1,318)	31,526
Provision (credit) for income taxes	(714)	1,576
Earnings (loss) from continuing operations	(604)	29,950
Discontinued operations:		
Gain from disposal of discontinued operations	1,819	12,225
Gain (loss) from operations of discontinued components, net of tax benefit (expense) of $37 and $-0- in 2009 and 2008, respectively	1,830	(2,565)
Gain from discontinued operations	3,649	9,660
Net earnings	3,045	39,610
Less: Net earnings attributable to the noncontrolling interests	(5,595)	(2,082)
Net earnings (loss) attributable to TWLDC Holdings, L.P.	$ (2,550)	$ 37,528

See Notes to Consolidated Financial Statements

TWLDC Holdings, L.P.

Consolidated Statements of Changes in Partners' Equity

Years Ended December 31, 2009 and 2008

(dollars in thousands)

	TWLDC Holdings, L.P.	Noncontrolling Interests	Total
Balance, January 1, 2008	$ 55,539	$ 5,886	$ 61,425
Net earnings	37,528	2,082	39,610
Balance, December 31, 2008	93,067	7,968	101,035
Distribution to noncontrolling interest	—	(8,395)	(8,395)
Net earnings (loss)	(2,550)	5,595	3,045
Balance, December 31, 2009	$ 90,517	$ 5,168	$ 95,685

See Notes to Consolidated Financial Statements

TWLDC Holdings, L.P.

Consolidated Statements of Cash Flows

Years Ended December 31, 2009 and 2008

(dollars in thousands)

	2009	2008
Operating Activities		
Net earnings	$ 3,045	$ 39,610
Adjustments to reconcile net earnings to cash provided by operating activities:		
Cost of land sold	34,561	56,302
Land development capital expenditures	(18,493)	(48,105)
Depreciation and amortization	10,005	8,528
Amortization of debt costs	2,050	2,025
Gain on disposal of discontinued operations	(1,819)	(12,225)
Increase (decrease) in notes and contracts receivable	1,840	(932)
Other liabilities and deferred revenue	(25)	6,443
Other	2,286	(6,369)
Changes in operating assets and liabilities:		
Trade receivables, inventories and prepaid assets	8,761	(2,036)
Other assets	(1,139)	(3,707)
Accounts payable, accrued liabilities and net payables with affiliates	(16,115)	258
Net cash provided by operating activities	24,957	39,792
Investing Activities		
Distribution from equity investee	—	4,300
Capital expenditures	(44,600)	(110,312)
Proceeds from sales of assets	34,044	80,498
Net cash used in investing activities	(10,556)	(25,514)
Financing Activities		
Distributions to noncontrolling interest	(8,395)	—
Debt borrowings	8,095	118,629
Debt repayments	(31,221)	(119,665)
Net cash used in financing activities	(31,521)	(1,036)
Increase (Decrease) in Cash and Cash Equivalents	(17,120)	13,242
Cash and Cash Equivalents, Beginning of Year	52,886	39,644
Cash and Cash Equivalents, End of Year	$ 35,766	$ 52,886
Supplemental disclosure of cash flow information		
Interest paid (net of amount capitalized)	$ 13,630	$ 21,472
Federal income tax paid	—	222
Sale of land in exchange for equity interest in Waterway Avenue Partners, L.L.C.	—	10,700

See Notes to Consolidated Financial Statements

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements

December 31, 2009 and 2008

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The Woodlands Partnerships' real estate activities are concentrated in The Woodlands, a master-planned community located north of Houston, Texas. Consequently, these operations and the associated credit risks may be affected, either positively or negatively, by changes in economic conditions in this geographical area. Activities associated with The Woodlands Partnerships include residential and commercial land sales and the construction, operation and management of office and industrial buildings, apartments, golf courses and a hotel facility.

Principles of Consolidation

TWLDC Holdings, L.P. (Woodlands Development), a Texas limited partnership, is owned by entities controlled by The Rouse Company (Rouse) (which is controlled by General Growth Properties, Inc.) and Morgan Stanley Real Estate Fund II, L.P. (Morgan Stanley). Woodlands Development consolidates a variable interest entity (VIE), TWCPC Holdings, L.P. (Woodlands Commercial), a Texas limited partnership, based on significant debt guarantees provided by Woodlands Development to Woodlands Commercial. Woodlands Commercial consolidates a VIE, The Woodlands Operating Company, L.P. (Woodlands Operating), a Texas limited partnership, from which it receives management and leasing services for its properties. Rouse and Morgan Stanley also own Woodlands Commercial and Woodlands Operating. Woodlands Development, Woodlands Commercial and Woodlands Operating are hereinafter referred to as The Woodlands Partnerships. GGP and Morgan Stanley are limited and general partners of The Woodlands Partnerships.

Also included in the consolidation is The Woodlands Community Facilities Development Corporation, an entity that has $14,417,000 in assets and $10,214,000 in debt, all of which is owed to Woodlands Development. The Woodlands Community Facilities Development Corporation's purpose is to promote the health, safety, common good and social welfare of the residents of The Woodlands, Texas, by developing parks, pathways and other amenities. The Woodlands Partnerships also consolidated 10101 Woodloch Forest LLC in which The Woodlands Partnerships and a third party each had a 50 percent interest. The purpose of this entity was to construct and own an office building that is leased by an affiliate of the third party. The noncontrolling member contributed $6,393,000 in cash to the entity and The Woodlands' partners contributed a total of $6,393,000 in cash, land and other assets. The building was sold in 2009 and after repayment of the outstanding debt, the noncontrolling member received a distribution of $8,395,000.

The consolidated financial statements include the accounts of The Woodlands Partnerships and their majority and wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Trade Receivables

Trade receivables are stated at the amount billed to customers. The Woodlands Partnerships provides an allowance for doubtful accounts, which is based on a review of outstanding receivables, historical collection information and existing economic conditions. Trade receivables are ordinarily due 30 days after the issuance of the billing. Accounts past due more than 120 days are considered

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

Real Estate

Real estate assets are stated at cost. Costs associated with the acquisition and development of real estate, including holding costs consisting principally of interest and ad valorem taxes, are capitalized as incurred to the extent the total carrying value of the property does not exceed the estimated fair value of the completed property. Capitalization of such holding costs is limited to properties for which active development continues. Capitalization ceases upon completion of a property or cessation of development activities. Where practicable, capitalized costs are specifically assigned to individual assets; otherwise, costs are allocated based on estimated values of the affected assets. Capitalized real estate taxes and interest costs are amortized over lives which are consistent with the related commercial properties or written off as a component of cost of sales for land.

Pre-development costs, which generally include legal and professional fees and other directly related third-party costs, are capitalized as part of the property being developed. In the event a development is no longer deemed to be probable, the costs previously capitalized are expensed.

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 360, *Property, Plant and Equipment*, long-lived assets are reviewed for impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable or the useful life has changed. Assets are evaluated based on their cash flows and profitability, including estimated future operating results, and trends or other determinants of fair value. If the total of the expected future undiscounted cash flows is less than the carrying amount of the asset, a loss is recognized for the difference between the fair value and the carrying value of the asset. For the years ended December 31, 2009 and 2008, no impairments were recognized.

Sales of Real Estate

Earnings from sales of real estate are recognized when a third-party buyer has made an adequate cash down payment and has attained the attributes of ownership. Capitalized cost related to real estate is determined as a specific percentage of the sales revenues recognized for each land development project. The amount capitalized is based on actual costs incurred, total estimated development costs and sales revenues for each project. These estimates are revised annually and are based on the then-current development strategy and operating assumptions utilizing internally developed projections for product type, revenue and related development cost. Capitalized costs are depreciated over the estimated useful life of the asset.

Land Sales

Revenues from land sales are recognized using the full accrual method provided that various criteria relating to the terms of the transactions and our subsequent involvement with the land sold are met. Revenues relating to transactions that do not meet the established criteria are deferred and recognized when the criteria are met or using the installment or cost recovery methods, as appropriate in the circumstances. For land sale transactions in which we are required to perform additional services

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

and incur significant costs after title has passed, revenues and cost of sales are recognized on a percentage of completion basis.

Cost of land sales is determined as a specified percentage of land sales revenues recognized for each community development project. The cost ratios used are based on actual costs incurred and estimates of development costs and sales revenues to completion of each project. The ratios are reviewed regularly and revised for changes in sales and cost estimates or development plans. Significant changes in these estimates or future development plans, whether due to changes in market conditions or other factors, could result in changes to the cost ratio used for a specific project.

The specific identification method is used to determine cost of sales for certain parcels of land, including acquired parcels we do not intend to develop or for which development is complete at the date of acquisition.

Hotel and Country Club Revenue

Revenue is recognized as services are performed. Hotel revenue primarily represents room rentals and food and beverage sales. Country club revenues primarily represent dues, green fees, cart rentals, and food and beverage sales. Refundable initiation fees are included in deferred revenues on the consolidated balance sheets.

Sales of Commercial Properties

Sales of commercial properties are generally accounted for under the full accrual method. Under that method, gain is not recognized until the collectibility of the sales price is reasonably assured and the earnings process is complete. When a sale does not meet the requirements for income recognition, gain is deferred until those requirements are met. Sales of real estate are accounted for under the percentage-of-completion method when The Woodlands Partnerships have material obligations under sales contracts to provide improvements after the property is sold. Under the percentage-of-completion method, the gain on sale is recognized as the related obligations are fulfilled.

Lease Revenue

Commercial properties are leased to third-party tenants generally involving multi-year terms. These leases are accounted for as operating leases. See Note 3 for further information.

Depreciation

Depreciation of operating assets is recorded on the straight-line method over the estimated useful lives of the assets. Useful lives range predominantly from 15 to 40 years for land improvements and buildings, 3 to 20 years for leasehold improvements, and 3 to 10 years for furniture, fixtures and equipment. Property and equipment are carried at cost less accumulated depreciation.

Advertising

Advertising costs are charged to operations when incurred. For the years ended December 31, 2009 and 2008, advertising costs totaled $3,995,000 and $5,424,000, respectively.

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

Deferred Financing Costs

Costs incurred to obtain debt financing are deferred and amortized over the estimated term of the related debt using the interest method.

Income Taxes

The Woodlands Partnerships are not income tax-paying entities and all income and expenses are reported by the partners for tax reporting purposes. No provision for federal income taxes is included in the accompanying consolidated financial statements for these entities, except as follows. Effective March 1, 2002, WECCR GP, a wholly owned subsidiary of Woodlands Operating, elected to be classified as an association taxable as a corporation for federal income tax purposes. Accordingly, a provision for federal income tax has been provided.

Significant changes were made to the Texas franchise tax during the 79th and 80th sessions of the Texas Legislature, whereby the Legislature extended the state franchise tax to partnerships (general, limited and limited liability). In previous years, The Woodlands Partnerships did not pay franchise taxes, since they were organized as partnerships and franchise taxes were not imposed. The revised tax base is based on a taxable entity's margin. The margin tax is calculated at a rate of 1 percent on the lesser of three calculations: a) total revenue less cost of goods sold, b) total revenue less compensation, or c) total revenue times 70 percent. For the years ended December 31, 2009 and 2008, The Woodlands Partnerships recorded margin tax expense of $835,000 and $1,367,000, respectively.

The tax returns, the qualification of The Woodlands Partnerships for tax purposes and the amount of distributable partnership income or loss are subject to examination by federal taxing authorities. If such examinations result in changes with respect to partnership qualification or in changes to distributable partnership income or loss, the tax liability of the partners could be changed accordingly. The 2007 and 2008 federal income tax returns are subject to examination by the Internal Revenue Service for three years after they were filed. The 2007 and 2008 state franchise tax returns are subject to examination by the Texas Comptroller for four years after they were filed.

During 2009, The Woodlands Partnerships adopted certain portions of FASB ASC 740, *Income Taxes*, concerning the accounting for uncertain tax positions. The Woodlands Partnerships had no material uncertain tax positions.

Inventories

Inventory is carried at the lower of cost or market and consists primarily of golf-related clothing, equipment sold at golf course pro shops, and food and beverages sold at the hotel facility in The Woodlands. Cost is determined based on a first-in, first-out method.

Cash Equivalents

The Woodlands Partnerships considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2009 and 2008, cash equivalents consisted primarily of money market accounts.

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

One or more of the financial institutions holding The Woodlands Partnerships' cash accounts are participating in the Federal Deposit Insurance Corporation's (FDIC) Transaction Account Guarantee Program. Under the program, through December 31, 2010, all noninterest-bearing transaction accounts at these institutions are fully guaranteed by the FDIC for the entire amount in the account.

For financial institutions opting out of the FDIC's Transaction Account Guarantee Program or interest-bearing cash accounts, the FDIC's insurance limits increased to $250,000 effective October 3, 2008. The increase in federally insured limits is currently set to expire December 31, 2013. At December 31, 2009, The Woodlands Partnerships had no cash accounts that exceeded federally insured limits.

Use of Estimates

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

Recent Accounting Pronouncements

Effective January 1, 2009, The Woodlands Partnerships adopted the guidance in FASB ASC 810-10-65, Transition Related to FASB Statement No. 160, *Noncontrolling Interests in Consolidated Financial Statements*, an amendment of ARB 51. Upon adoption, minority interest previously presented in other liabilities on the consolidated balance sheets has been retrospectively reclassified as noncontrolling interests within equity. In addition, the consolidated net earnings presented in the consolidated statements of earnings and consolidated statements of changes in partners' equity have been retrospectively revised to include the net earnings attributable to the noncontrolling interests. Beginning January 1, 2009, losses attributable to the noncontrolling interests will be allocated to the noncontrolling interests even if the carrying amount of the noncontrolling interests is reduced below zero. Any changes in ownership after January 1, 2009, that do not result in a loss of control will be prospectively accounted for as equity transactions.

In May 2009, the FASB issued ASC Topic 855, *Subsequent Events*. Topic 855 establishes general standards of accounting for, and disclosures of, events that occur after the balance sheet date but before financial statements are issued or available to be issued. Financial statements are available to be issued when they are in a format that complies with accounting principles generally accepted in the United States and all approvals necessary for issuance have been given. Topic 855 requires the disclosure of the date through which an entity has evaluated subsequent events and whether that date represents the date the financial statements were issued or were available to be issued. The adoption of Topic 855 did not have a material impact on The Woodlands Partnerships' consolidated financial statements. Subsequent events have been evaluated through April 26, 2010, which is the date the consolidated financial statements were available to be issued.

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

Future Accounting Pronouncements

In June 2009, the FASB issued Accounting Standards Update (ASU) 2009-17, *Consolidations (Topic 810)—Improvements to Financial Reporting by Enterprises Included with Variable Interest Entities*. Topic 810 amends the consolidation guidance applicable to variable interest entities and the definition of a variable interest entity, and requires enhanced disclosures to provide more information about an enterprise's involvement in a variable interest entity. This statement also requires ongoing assessments of whether an enterprise is the primary beneficiary of a variable interest entity. ASU 2009-17 is effective for The Woodlands Partnerships' fiscal year beginning January 1, 2010. The Woodlands Partnerships are currently reviewing the effect of ASU 2009-17 on their consolidated financial statements.

In June 2009, the FASB issued ASC Topic 105, *Generally Accepted Accounting Principals*. Topic 105 establishes the FASB Accounting Standards Codification as the source of authoritative accounting principles recognized by the FASB that are applied by nongovernmental entities in the preparation of financial statements in conformity with accounting principles generally accepted in the United States. The adoption of Topic 105 did not change generally accepted accounting principles and did not have a material impact on The Woodlands Partnerships' consolidated financial statements.

Reclassifications

Certain reclassifications have been made to the 2008 consolidated financial statements to conform to the 2009 consolidated financial statement presentation. These reclassifications had no effect on net earnings.

Note 2: Notes and Contracts Receivable

Notes receivable are carried at cost, net of discounts. At December 31, 2009 and 2008, Woodlands Development held notes and contracts receivable totaling $78,791,000 and $73,283,000, respectively. Included in the notes receivable were amounts related to utility district receivables totaling $74,491,000 and $71,585,000 at December 31, 2009 and 2008, respectively. Utility district receivables, the collection of which is dependent on the ability of utility districts in The Woodlands to sell bonds, had a market interest rate of approximately 5.25 percent and 5.50 percent at December 31, 2009 and 2008, respectively. Included in the utility district receivables was a reserve of approximately $4,278,000 and $4,290,000 at December 31, 2009 and 2008, respectively. The utility district receivables are analyzed on a monthly basis for valuation and collectibility utilizing a review of outstanding receivables, historical bond issuance information and economic conditions of the various districts located in The Woodlands. Utility district receivables are written off when the receivables are known to be uncollectible. At December 31, 2009 and 2008, the other notes receivable totaled $4,300,000 and $1,697,000, respectively. The notes bear interest at an average rate of 3.12 percent and 6.41 percent for the years ended December 31, 2009 and 2008, respectively. Maturities of the notes receivable are $1,689,000 in 2010, $1,110,000 in 2013 and $1,500,000 in 2019.

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

Note 3: Real Estate

The following is a summary of real estate at December 31, 2009 and 2008 (in thousands):

	2009	2008
Land	$ 265,183	$ 282,900
Commercial properties	258,424	261,146
Equity investments	12,841	13,263
Other assets	12,275	9,171
	548,723	566,480
Accumulated depreciation	(73,865)	(71,307)
	$ 474,858	$ 495,173

Land

The principal land development is The Woodlands, a mixed-use, master-planned community located north of Houston, Texas. Residential land is divided into eight villages in various stages of development. Each village has or is planned to contain a variety of housing, neighborhood retail centers, schools, parks and other amenities. Woodlands Development controls the development of the residential communities and produces finished lots for sale to qualified builders. Housing is constructed in a wide range of pricing and product styles.

Commercial land is divided into distinct centers that serve or are planned to serve as locations for office buildings, retail and entertainment facilities, industrial and warehouse facilities, research and technology facilities, and college and training facilities. Woodlands Development produces finished sites for third parties or for its own building development activities.

Commercial Properties

Commercial and industrial properties owned or leased by The Woodlands Partnerships are leased to third-party tenants. Lease terms, including renewal periods, range from 4 to 15 years with an average remaining term of 7 years. Contingent rents include pass-throughs of incremental operating costs. Minimum future lease revenues from noncancellable operating leases and subleases exclude contingent rentals that may be received under certain lease agreements. Tenant rents include rent for noncancellable operating leases, cancelable leases and month-to-month rents and are included in other revenue. For the years ended December 31, 2009 and 2008, tenant rents totaled $6,145,000 and $7,480,000, respectively. For the years ended December 31, 2009 and 2008, contingent rents totaled $1,006,000 and $1,554,000, respectively. Minimum future lease rentals for 2010 through 2014 and thereafter total $9,871,000, $9,358,000, $8,143,000, $7,710,000, $7,044,000 and $26,320,000, respectively.

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

Note 3: Real Estate (Continued)

Properties Held for Sale and Discontinued Operations

A summary of the operations from discontinued operations for the years ended December 31, 2009 and 2008, is as follows (in thousands):

	2009	2008
Revenues	$ 3,514	$ 4,647
Operating expenses	(34)	(3,850)
Depreciation	(639)	(1,327)
Interest expense	(533)	(1,303)
Other expense	(441)	(732)
Income tax expense	(37)	—
Net earnings (loss)	$ 1,830	$ (2,565)

During 2009, Woodlands Development sold an office building for $42,000,000, recognized a profit of $2,054,000 and repaid related debt totaling $28,513,000. A partnership in which Woodlands Commercial has an interest sold an office building for $2,000,000. Woodlands Commercial recognized a $235,000 loss on the transaction. During 2008, Woodlands Development sold an office building for $85,250,000, recognized a profit of $12,230,000 and repaid related debt totaling $45,229,000. Additionally, during 2008, Woodlands Development abandoned the Woodlands Athletic Center operations and facility and recognized a net loss of $652,000.

Operating results for the assets sold and abandoned are reported as discontinued operations on the consolidated statements of earnings.

Note 4: Equity Method Investments

During 2009 and 2008, The Woodlands Partnerships' principal partnership and corporation interests included the items listed below:

	Ownership and Economic Interest	Nature of Operations
Woodlands Development:		
Stewart Title of Montgomery County, Inc.	50%	Title company
Waterway Avenue Partners, L.L.C.	84%	Apartments
Woodlands Commercial:		
Woodlands Office Equities—'95 Limited	25%	Office building in The Woodlands
FV-93 Limited	50% (economic interest)	Apartments

Other partnerships own various commercial properties, all of which are located in The Woodlands. Woodlands Operating provides various management and leasing services to these affiliated entities. The Woodlands Partnerships' net investment in each of these entities is included in the real estate caption

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

Note 4: Equity Method Investments (Continued)

on the consolidated balance sheets and their shares of these entities' pretax earnings is included in other revenues on the consolidated statements of earnings. A summary of The Woodlands Partnerships' net investments as of December 31, 2009 and 2008, and their share of pretax earnings for the years then ended are as follows (in thousands):

	2009	2008
Net investment:		
Waterway Avenue Partners, L.L.C.	$ 10,376	$ 10,700
Stewart Title of Montgomery County, Inc.	1,184	1,129
Woodlands Office Equities—'95 Limited	220	1,004
FV-93 Limited	789	788
Woodlands Sarofim #1 Ltd.	—	(629)
Others that own properties in The Woodlands	272	271
	$ 12,841	$ 13,263

	2009	2008
Equity in pretax earnings:		
Stewart Title of Montgomery County, Inc.	$ 404	$ 498
Woodlands Office Equities—'95 Limited	(97)	100
Waterway Avenue Partners, L.L.C.	(324)	—
Woodlands Sarofim #1 Ltd.	800	82
Others that own properties in The Woodlands	6	6
	$ 789	$ 686

Summarized financial statement information (unaudited) for partnerships and a corporation in which The Woodlands Partnerships have an equity ownership interest at December 31, 2009 and 2008, and for the years then ended (in thousands) as follows:

	2009	2008
Assets	$ 59,619	$ 47,623
Debt payable to third parties:		
The Woodlands Partnerships' proportionate share:		
Recourse to The Woodlands Partnerships	67	72
Nonrecourse to The Woodlands Partnerships	11,474	3,639
Other parties' proportionate share, of which $940 was guaranteed by The Woodlands Partnerships	19,071	14,664
Accounts payable and deferred credits	4,772	1,893
Owners' equity	24,235	27,355
Revenues	12,684	13,892
Operating earnings	2,268	3,737
Pretax earnings	1,729	2,916
The Woodlands Partnerships' share of pretax earnings	789	686

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

Note 4: Equity Method Investments (Continued)

Woodlands Commercial has guaranteed mortgage debt of its unconsolidated affiliates totaling $1,007,000 and $1,142,000 at December 31, 2009 and 2008, respectively. These guarantees reduce in varying amounts through 2011 and would require payments only in the event of default on payment by the respective debtors.

Note 5: Debt

A summary of The Woodlands Partnerships' outstanding debt at December 31, 2009 and 2008, is as shown on the following page (in thousands).

	2009	2008
Senior credit facility	$ 306,539	$ 306,539
The Woodlands Conference Center debt	40,000	40,000
Other credit facilities	17,798	38,781
Mortgages payable	13,626	15,769
	$ 377,963	$ 401,089

Senior Credit Facility

Woodlands Development and Woodlands Commercial have a bank credit agreement consisting of a $280,000,000 term loan and a $70,000,000 revolving credit loan. During 2009, the credit agreement was extended one year to August 2010 and has one remaining one-year extension option. Woodlands Development and Woodlands Commercial paid an $875,000 extension fee. At December 31, 2009 and 2008, approximately $43,461,000 was unborrowed under the revolving credit agreements. The interest rate, based on the LIBOR plus a margin, was approximately 2.4 percent and 4.1 percent at December 31, 2009 and 2008, respectively. Interest is paid monthly. Commitment fees, based on 0.25 percent of the unused commitment, totaled $110,000 and $126,000 for the years ended December 31, 2009 and 2008, respectively.

The credit agreement contains certain restrictions that, among other things, require the maintenance of specified financial ratios, restrict indebtedness and sale, lease or transfer of certain assets and limit the right of Woodlands Development and Woodlands Commercial to merge with other companies and make distributions to their partners. Certain assets of Woodlands Development and Woodlands Commercial, including cash, receivables and real estate, secure the credit agreement. Mandatory debt maturities for 2010 are $306,539,000. Payments may be made by Woodlands Development or Woodlands Commercial or both at their option. Principal payments may be required based on certain covenant tests. Prepayments can also be made at the discretion of Woodlands Development and Woodlands Commercial without penalty.

Conference Center Debt

The debt consists of a credit facility related to and secured by The Woodlands Conference Center (the Conference Center). The credit facility has an average interest rate of 3.2 percent and 4.4 percent at December 31, 2009 and 2008, respectively. Interest is paid monthly. The credit facility matures in October 2011 or is required to be repaid upon the sale of the Conference Center.

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

Note 5: Debt (Continued)

The Conference Center credit facility contains financial covenants requiring maintenance of minimum debt service coverage and a maximum loan to value ratio. Due to reduced business performance, the debt service coverage ratio at December 31, 2009, was below the minimum 1.40 coverage requirement. The lenders can, among other things, increase the interest rate by 200 basis points and accelerate the loan due date and demand immediate repayment. A default under the Conference Center credit facility is also an event of default under the Senior Credit Facilities and can cause the amounts due under the Senior Credit Facility to be accelerated.

Other Credit Facilities

At December 31, 2009, Town Center Development Company, L.P. (TCDC), a wholly owned subsidiary of Woodlands Development, had two loan commitments totaling $18,528,000 secured by new commercial construction. At December 31, 2008, TCDC had three loan commitments totaling $49,203,000. The interest rate, based on the LIBOR plus a margin, was approximately 2.1 percent and 3.3 percent at December 31, 2009 and 2008, respectively. At December 31, 2009 and 2008, the outstanding balance was $17,798,000 and $38,781,000, respectively. Mandatory debt maturities are $13,142,000 for 2010 and $4,656,000 for 2011.

Derivative Financial Instruments

As a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, The Woodlands Partnerships have entered into various derivative agreements.

Woodlands Development and Woodlands Commercial entered into an interest rate cap agreement with a commercial bank to reduce the impact of increases in interest rates on their bank credit agreement. The interest rate cap agreement effectively limits the interest rate exposure on a notional amount of $100,000,000 to LIBOR rates of 6.50 percent. The $100,000,000 interest rate cap agreement expires in 2010.

Management has designated the interest rate cap agreement as a hedging instrument. However, management has deemed amounts associated with the derivatives and hedging transactions to be immaterial to the consolidated financial statements and, as a result, the agreement has not been reflected in the consolidated financial statements.

Mortgages Payable

The mortgages payable had an average interest rate of 6.4 percent and 6.3 percent at December 31, 2009 and 2008, respectively. Debt maturities for 2010 through 2014 and thereafter total $6,901,000, $664,000, $1,548,000, $4,412,000, $-0- and $101,000, respectively. Mortgages payable are all secured by real estate.

Note 6: Notes Payable to Partners

At December 31, 2009 and 2008, Woodlands Development had notes payable to its partners totaling $34,657,000 and $28,449,000, respectively. The notes bear interest at 15 percent. Interest is payable quarterly. All outstanding balances are due in 2012. These notes are subordinate to the bank credit agreement and mortgages payable described previously.

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

Note 7: Commitments and Contingencies

Contingent Liabilities

At December 31, 2009 and 2008, The Woodlands Partnerships issued letters of credit in the amount of $1,166,000 and $1,169,000, respectively. The letters of credit act as guarantees of payment to third parties in accordance with specific terms and conditions of each letter. The term of these letters of credit is for a period of 12 months from the date of the original agreement.

At December 31, 2009 and 2008, The Woodlands Partnerships guaranteed road bonds in the amount of $2,132,000 and $2,382,000, respectively. These guarantees act as a warranty on the roads for a period of 12 months from the date the roads are completed. Under these agreements, The Woodlands Partnerships have guaranteed they will make all repairs necessary to maintain the roads in good condition.

Leases

The Woodlands Partnerships have various noncancellable facilities and equipment lease agreements that provide for aggregate future payments of approximately $1,463,000. Capital lease obligations are included as other liabilities in the consolidated balance sheets. Below are minimum rental payments for the years subsequent to December 31, 2009 (in thousands).

	Capital Leases	Operating Leases	
	Woodlands Development	Woodlands Operating	Total
2010	$ 420	$ 153	$ 573
2011	415	103	518
2012	231	80	311
2013	36	21	57
2014	4	—	4
	$ 1,106	$ 357	$ 1,463

Rental expense for operating leases for the years ended December 31, 2009 and 2008, was $3,758,000 and $3,310,000, respectively.

General Litigation

The Woodlands Partnerships are subject to claims and legal actions arising in the ordinary course of their business and to recurring examinations by the Internal Revenue Service and other regulatory agencies. Management believes, after consultation with outside counsel, that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the consolidated financial position, results of operations and cash flows of The Woodlands Partnerships.

Commitments

As of December 31, 2009, The Woodlands Partnerships had unrecorded development contract commitments outstanding of approximately $85,289,000.

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

Note 8: Related-party Transactions

Woodlands Operating provides services to Woodlands Development and Woodlands Commercial under management and advisory services agreements. These agreements are automatically renewed annually. Woodlands Development and Woodlands Commercial pay Woodlands Operating a management and advisory fee equal to cost plus 3 percent. In addition, they reimburse Woodlands Operating for all costs and expenses incurred on their behalf. For the years ended December 31, 2009 and 2008, Woodlands Operating recorded revenues of $13,839,000 and $13,301,000, respectively, for services provided to Woodlands Development and $1,404,000 and $1,723,000, respectively, for services provided to Woodlands Commercial. These revenues are eliminated in the accompanying consolidated financial statements.

Woodlands Operating, through WECCR GP, operates the Conference Center (the Facilities), which is owned by Woodlands Commercial. The Facilities consist of a 440-room hotel and conference center. Woodlands Commercial also owned golf course facilities that were sold in May 2007. WECCR GP operates the Facilities and pays Woodlands Commercial rent of $700,000 per month plus percentage rent based on revenue. For the years ended December 31, 2009 and 2008, rent totaled $9,866,000 and $9,653,000, respectively. These amounts are eliminated in the accompanying consolidated financial statements. WECCR GP has contracted with an affiliate of Morgan Stanley to manage the Facilities for a management fee equal to 2.5 percent of cash receipts, as defined in the agreement. During 2009 and 2008, the management fee totaled $824,000 and $1,092,000, respectively.

Note 9: Partners' Equity

Rouse's ownership interests in The Woodlands Partnerships are through TWC Land Development L.P. (which owns a 42.5 percent interest in Woodlands Development), TWC Commercial Properties L.P. (which owns a 42.5 percent interest in Woodlands Commercial) and TWC Operating L.P. (which owns a 42.5 percent interest in Woodlands Operating). Morgan Stanley's ownership interests are through MS/TWC Joint Venture and MS TWC, Inc., which own the remaining interests in Woodlands Development, Woodlands Commercial and Woodlands Operating. The partners' percentage interests are summarized on the following page.

	General Partner Interest	Limited Partner Interest
Woodlands Development:		
TWC Land Development L.P.	42.5%	—
MS/TWC Joint Venture	—	56.5%
MS TWC, Inc.	1.0%	—
Woodlands Commercial:		
TWC Commercial Properties L.P.	42.5%	—
MS/TWC Joint Venture	—	56.5%
MS TWC, Inc.	1.0%	—
Woodlands Operating:		
TWC Operating L.P.	42.5%	—
MS/TWC Joint Venture	—	56.5%
MS TWC, Inc.	1.0%	—

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

Note 9: Partners' Equity (Continued)

The partnership agreements for each of the partnerships provide, among other things, the following:

(i) The Woodlands Partnerships are each governed by an Executive Committee composed of equal representation from their respective general partners.

(ii) Net income and losses from operations are currently allocated based on the payout percentages discussed below.

(iii) Distributions are made by The Woodlands Partnerships to the partners based on specified payout percentages and include cumulative preferred returns to Morgan Stanley's affiliates. The payout percentage to Morgan Stanley's affiliates is 57.5 percent until the affiliates receive distributions on a consolidated basis equal to their capital contributions and a 12.0 percent cumulative preferred return compounded quarterly. Then, the payout percentage to Morgan Stanley's affiliates is 50.5 percent until the affiliates receive distributions equal to their capital contributions and an 18.0 percent cumulative preferred return compounded quarterly. Thereafter, the payout percentage to Morgan Stanley's affiliates is 47.5 percent. During 2001, Morgan Stanley's affiliates received sufficient cumulative distributions from The Woodlands Partnerships to exceed Morgan Stanley's affiliates' capital contributions plus cumulative returns of 18.0 percent. Accordingly, Morgan Stanley's affiliates are currently receiving a payout percentage of 47.5 percent, and Rouse's affiliates are receiving 52.5 percent from The Woodlands Partnerships.

(iv) The Woodlands Partnerships will continue to exist until December 31, 2040, unless terminated earlier due to specified events.

(v) No additional partners may be admitted to The Woodlands Partnerships unless specific conditions in the partnership agreements are met. Partnership interests may be transferred to affiliates of Rouse or Morgan Stanley. Rouse has the right of first refusal to buy the partnership interests of the Morgan Stanley affiliates at the same terms and conditions offered to a third-party purchaser or sell its affiliates' interests to the same third-party purchaser.

(vi) Rouse and Morgan Stanley have the right to offer to purchase the other partner's affiliates' partnership interests in the event of failure to make specified capital contributions or a specified default by the other. Specified defaults include bankruptcy, breach of partnership covenants, transfer of partnership interests except as permitted by the partnership agreements, and fraud or gross negligence.

Note 10: Fair Value of Financial Instruments

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy which requires an entity to maximize

Note 10: Fair Value of Financial Instruments (Continued)

the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1— Quoted prices in active markets for identical assets or liabilities.

Level 2— Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3— Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the inputs and valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated balance sheets, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

Cash Equivalents

Where quoted market prices are available in an active market, money market funds are classified within Level 1 of the valuation hierarchy. Money market funds are measured at fair value on a recurring basis. Money market funds approximated $0 and $46,569,000 at December 31, 2009 and 2008, respectively.

The following methods were used to estimate the fair value of all other financial instruments recognized in the accompanying consolidated balance sheets at amounts other than fair value:

(i) The carrying value of cash, receivables and payables approximates the estimated fair values of those financial instruments because of the short-term nature of these instruments.

(ii) Fair values of notes and contracts receivable approximated the carrying value of those financial instruments. Fair values were estimated by discounting future cash flows using interest rates at which similar loans currently could be made for similar maturities to borrowers with comparable credit ratings.

(iii) Fixed-rate notes payable to partners for Woodlands Development had an estimated fair value of $29,510,000 and $28,121,000 at December 31, 2009 and 2008, respectively. Fair values of fixed-rate, long-term debt were based on current interest rates offered to The Woodlands Partnerships for debt with similar remaining maturities.

(iv) For floating-rate debt obligations, carrying amounts and fair values were assumed to be equal because of the nature of these obligations.

(v) The carrying amounts of The Woodlands Partnerships' other financial instruments approximate their fair values.

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

Note 11: Employee Plans

Defined Contribution Plan

Woodlands Operating has a 401(k) defined contribution plan that is available to all full-time employees who meet specified service requirements. The plan is administered by a third party. Contributions to the plan are based on a match of employee contributions up to a specified limit. For the years ended December 31, 2009 and 2008, Woodlands Operating contributions totaled approximately $368,000 and $523,000, respectively.

Supplemental Executive Retirement Plan

Woodlands Operating has deferred compensation arrangements for a select group of management employees that provide the opportunity to defer a portion of their cash compensation. Woodlands Operating's obligations under this plan are unsecured general obligations to pay in the future, the value of the deferred compensation adjusted to reflect the performance of its investments, whether positive or negative, of selected measurement options, chosen by each participant, during the deferral period. Woodlands Operating has established trust accounts on behalf of the participating employees totaling $912,000 and $840,000 that are included in other assets at December 31, 2009 and 2008, respectively.

Incentive Plans

Woodlands Operating instituted an incentive compensation plan for certain employees in 2001. The plan is unfunded, and while certain payments are made currently, a portion of these payments is deferred and will be paid based on a vesting period of up to three years. For the years ended December 31, 2009 and 2008, expenses recognized by The Woodlands Partnerships under this plan totaled $913,000 and $1,750,000, respectively.

Note 12: Income Taxes

The income tax provision for the years ended December 31, 2009 and 2008, is as follows (in thousands):

	2009	2008
Deferred income tax	$ (930)	$ 25
Current income taxes	253	1,551
	$ (677)	$ 1,576

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

Note 12: Income Taxes (Continued)

The income tax benefit reflected in the consolidated statements of earnings differs from the amounts computed by applying the federal statutory rate of 35 percent to income before income taxes as follows (in thousands):

	2009	2008
Income tax benefit at statutory rate	$ (1,530)	$ 201
Texas margin tax	835	1,367
Permanent differences	18	87
NOL carryforward/change to prior year book/tax differences	—	—
Other	—	(79)
	$ (677)	$ 1,576

Deferred taxes are provided for the temporary differences between the financial reporting basis and the tax basis of WECCR GP's assets and liabilities and for operating loss carryforwards. Significant components of WECCR GP's net deferred tax asset at December 31, 2009 and 2008, are as shown on the following page.

	2009	2008
Deferred tax assets:		
Net operating loss	$ 1,032	$ —
Other	147	249
Deferred tax liabilities	—	—
Net deferred tax asset	$ 1,179	$ 249

Topic 740 requires a valuation allowance to reduce the deferred tax assets reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Accordingly, management has provided no valuation allowance at December 31, 2009 and 2008.

The net deferred tax assets are included in other assets on the consolidated balance sheets at December 31, 2009 and 2008.

At December 31, 2009, The Woodlands Partnerships had an unused net operating loss carryforward of approximately $3,000,000, which will expire in 2029.

Note 13: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Municipal Utility District (MUD) Receivables

The State of Texas allows for the creation of MUDs which may reimburse Woodlands Development for construction costs associated with building water distribution and purification systems,

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

Note 13: Significant Estimates and Concentrations (Continued)

sewer facilities and drainage facilities. Woodlands Development constructs the facilities and once the MUDs have enough value on the ground (tax base), the MUDs will issue bonds to reimburse Woodlands Development for costs (including interest) according to the Texas Commission on Environmental Quality (the Commission). Woodlands Development estimates the costs which they believe will be eligible for reimbursement as MUD receivables. Periodically, management evaluates these receivable balances and makes adjustments to reflect changes in conditions related to such receivables. Actual receivables could differ from the estimates recorded in these consolidated financial statements.

Cost of Sales Estimates

During development projects, Woodlands Development estimates sales prices on a per lot basis as villages are developed. These sales estimates are then utilized throughout the project to estimate a percentage of cost of sales to be applied when portions of a development are sold. These cost of sales estimates are updated annually based on actual land costs incurred plus estimates to complete the villages.

Senior Credit Facility

As discussed in Note 5, Woodlands Development and Woodlands Commercial have a bank credit agreement with approximately $306,539,000 due in August 2010. The agreement has one remaining one-year extension option. However, as of April 26, 2010, The Woodlands Partnerships had not obtained a commitment to extend. Inability to extend the existing agreement, or otherwise renegotiate or refinance the agreement, could adversely affect The Woodlands Partnerships future operations.

Impairment Determinations

In accordance with ASC Topic 360, *Property, Plant and Equipment*, The Woodlands Partnerships evaluates its long-lived assets for impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable or the useful life has changed. These assets are evaluated based on their estimated cash flows and profitability, including estimated future operating results, and trends or other determinants of fair value. Actual cash flows, profitability and trends could differ materially from these estimates.

Note 14: Current Economic Conditions

The current protracted economic decline continues to present real estate entities with unprecedented circumstances and challenges, which, in some cases, have resulted in large declines in the fair value of real estate, investments and other assets, declines in occupancy, constraints on liquidity and difficulty obtaining financing. The consolidated financial statements have been prepared using values and information currently available to The Woodlands Partnerships.

Current economic and financial market conditions have led many employers to downsize, relocate or cease operations. Such conditions may significantly impact the rate at which our tenants fulfill or renew existing lease agreements and our ability to fill unoccupied space, which could adversely affect our results of operations in future periods. Additionally, the current instability in the financial markets

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2009 and 2008

Note 14: Current Economic Conditions (Continued)

may make it difficult for certain builders to obtain financing to fund construction projects. Difficulty in obtaining adequate financing may significantly impact the rate at which builders delay or cancel proposed new construction projects. Such delays or cancellations could also have an adverse impact on The Woodlands Partnership's future operating results.

In addition, given the volatility of current economic conditions, the values of assets and liabilities recorded in the consolidated financial statements could change rapidly, resulting in material future adjustments in real estate values, investment values and allowances for MUD receivables that could negatively impact The Woodlands Partnerships' ability to meet debt covenants or maintain sufficient liquidity.

During 2009, General Growth Properties, Inc. (GGP), filed bankruptcy on certain of its companies. Due to continued weakness in the credit markets, GGP has indicated there can be no assurance they will be able to continue to refinance a substantial amount of debt on acceptable terms or otherwise. Additionally, GGP has experienced downgrades of their debt by national credit agencies, as well as real or perceived declines in the value of their properties based on deteriorating general and retail economic conditions. Due to these conditions, The Woodlands Partnerships may not be able to obtain future contributions or other funding to support its operations, if needed, from Rouse (which is owned by GGP). Management has indicated The Woodlands Partnerships have not received any capital contributions since inception and do not anticipate receiving any in the future.

Note 15: Subsequent Event

The Conference Center credit facility contains financial covenants including maintenance of minimum debt service coverage. Due to reduced business performance, the debt service coverage ratio at December 31, 2009, was below the minimum coverage requirement. In April 2010, the credit facility was amended to waive the coverage requirement for the year ended December 31, 2009, and reduce the minimum debt service coverage requirement through all of 2010 from 1.40x to 1.10x. In order to effect this change, the interest rate on the credit facility was increased and prohibitions were placed on distributions by Woodlands Development and Woodlands Commercial to their partners until certain debt and liquidity levels are met.

Independent Accountants' Report

Executive Committee
TWLDC Holdings, L.P.
The Woodlands, Texas

We have audited the accompanying consolidated balance sheet of TWLDC Holdings, L.P., as of December 31, 2007, and the related consolidated statements of earnings, changes in partners' equity (deficit) and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TWLDC Holdings, L.P., as of December 31, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ BKD, LLP

Houston, Texas

February 27, 2009

TWLDC Holdings, L.P.

Consolidated Balance Sheet

December 31, 2007

(dollars in thousands)

Assets	
Cash and cash equivalents	$ 39,644
Trade receivables	13,596
Inventories	746
Prepaid and other current assets	3,613
Notes and contracts receivable, net	72,351
Real estate, net	457,339
Other assets	4,719
Total assets	$ 592,008
Liabilities and Partners' Equity	
Liabilities:	
Accounts payable and accrued liabilities	$ 44,014
Payables to affiliates	2,154
Credit facility	291,539
Other debt	110,586
Notes payable to partners	25,000
Deferred revenue	47,634
Other liabilities	15,276
Total liabilities	536,203
Partners' Equity	55,805
Total liabilities and partners' equity	$ 592,008

See Notes to Consolidated Financial Statements

TWLDC Holdings, L.P.

Consolidated Statement of Earnings

Year Ended December 31, 2007

(dollars in thousands)

Revenues:	
Residential lot sales	$ 114,253
Commercial land sales	35,470
Hotel and country club operations	52,534
Other	17,907
	220,164
Costs and expenses:	
Residential lot cost of sales	58,865
Commercial land cost of sales	8,609
Hotel and country club operations	48,329
Operating expenses	38,890
Depreciation and amortization	7,876
	162,569
Operating earnings	57,595
Other (income) expense:	
Interest expense	33,552
Interest capitalized	(15,137)
Amortization of debt costs	1,274
Other	(2,154)
	17,535
Earnings from continuing operations before income taxes	40,060
Income taxes	1,972
Earnings from continuing operations	38,088
Discontinued operations:	
Gain from disposal of discontinued operations	102,672
Gain (loss) from operations of discontinued components net of tax expense of $3,984	934
Gain from discontinued operations	103,606
Net earnings	$ 141,694

See Notes to Consolidated Financial Statements

TWLDC Holdings, L.P.

Consolidated Statement of Changes in Partners' Equity (Deficit)

Year Ended December 31, 2007

(dollars in thousands)

	TWC Land Development L.P.	TWC Commercial Properties, L.P.	TWC Operating L.P.	MS/TWC Joint Venture	MS TWC, Inc.	Total
Balance (Deficit), January 1, 2007	$ 37,904	$ (29,443)	$ (2,394)	$ 38,742	$ 450	$ 45,259
Distributions	(61,363)	(7,875)	—	(60,599)	(1,311)	(131,148)
Net earnings (loss)	74,510	(2,903)	2,783	65,888	1,416	141,694
Balance (Deficit), December 31, 2007	$ 51,051	$ (40,221)	$ 389	$ 44,031	$ 555	$ 55,805

See Notes to Consolidated Financial Statements

TWLDC Holdings, L.P.

Consolidated Statement of Cash Flows

Year Ended December 31, 2007

(dollars in thousands)

Operating activities	
Net earnings	$ 141,694
Adjustments to reconcile net earnings to cash provided by operating activities:	
Cost of land sold	67,474
Land development capital expenditures	(57,758)
Depreciation and amortization	9,794
Amortization of debt costs	1,500
Gain on disposal of discontinued operations	(102,672)
Increase in notes and contracts receivable	(15,279)
Other liabilities and deferred revenue	5,529
Other	(972)
Changes in operating assets and liabilities:	
Trade receivables, inventories and prepaid assets	(2,007)
Other assets	2,709
Accounts payable, accrued liabilities and net payables with affiliates	(3,482)
Net cash provided by operating activities	46,530
Investing activities	
Capital expenditures	(69,798)
Proceeds from sales of assets	175,761
Net cash provided by investing activities	105,963
Financing activities	
Distributions to partners	(131,148)
Contributions from partners	5,000
Debt borrowings	23,657
Debt repayments	(59,267)
Net cash used in financing activities	(161,758)
Decrease in cash and cash equivalents	(9,265)
Cash and cash equivalents, beginning of year	48,909
Cash and cash equivalents, end of year	$ 39,644
Supplemental disclosure of cash flow information	
Interest paid (net of amount capitalized)	$ 37,359
Federal income tax paid	350

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements

December 31, 2007

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The Woodlands Partnerships' real estate activities are concentrated in The Woodlands, a master-planned community located north of Houston, Texas. Consequently, these operations and the associated credit risks may be affected, either positively or negatively, by changes in economic conditions in this geographical area. Activities associated with The Woodlands Partnerships include residential and commercial land sales and the construction, operation and management of office and industrial buildings, apartments, golf courses and a hotel facility.

Principles of Consolidation

TWLDC Holdings, L.P. (Woodlands Development), a Texas limited partnership, is owned by entities controlled by The Rouse Company (Rouse) (which is controlled by General Growth Properties, Inc.) and Morgan Stanley Real Estate Fund II, L.P. (Morgan Stanley). Woodlands Development consolidates a variable interest entity (VIE), TWCPC Holdings, L.P. (Woodlands Commercial), a Texas limited partnership, based on significant debt guarantees provided by Woodlands Development to Woodlands Commercial. Woodlands Commercial consolidates a VIE, The Woodlands Operating Company, L.P. (Woodlands Operating), a Texas limited partnership, from which it receives management and leasing services for its properties. Rouse and Morgan Stanley also own Woodlands Commercial and Woodlands Operating. Woodlands Development, Woodlands Commercial and Woodlands Operating are hereinafter referred to as The Woodlands Partnerships.

Also included in the consolidation is The Woodlands Community Facilities Development Corporation, an entity that has $11,613,000 in assets and $8,605,000 in debt, all of which is owed to Woodlands Development. The Woodlands Community Facilities Development Corporation's purpose is to promote the health, safety, common good and social welfare of the residents of The Woodlands, Texas, by developing parks, pathways and other amenities. The Woodlands Partnerships also consolidated 10101 Woodloch Forest LLC, a newly formed entity, in which The Woodlands Partnerships and a third party each have a 50 percent interest. The purpose of this entity is to construct and own an office building that will be leased by an affiliate of the third party. The minority member contributed $5,000,000 in cash to the entity and The Woodlands partners contributed a total of $5,000,000 in cash, land and other assets. Minority interest is included as a component of other liabilities in the consolidated balance sheets.

The consolidated financial statements include the accounts of The Woodlands Partnerships and their majority and wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Trade Receivables

Trade receivables are stated at the amount billed to customers. The Company provides an allowance for doubtful accounts, which is based on a review of outstanding receivables, historical collection information and existing economic conditions. Trade receivables are ordinarily due 30 days after the issuance of the billing. Accounts past due more than 120 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2007

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

Real Estate

Real estate assets are stated at cost. Costs associated with the acquisition and development of real estate, including holding costs consisting principally of interest and ad valorem taxes, are capitalized as incurred to the extent the total carrying value of the property does not exceed the estimated fair value of the completed property. Capitalization of such holding costs is limited to properties for which active development continues. Capitalization ceases upon completion of a property or cessation of development activities. Where practicable, capitalized costs are specifically assigned to individual assets; otherwise, costs are allocated based on estimated values of the affected assets. Capitalized real estate taxes and interest costs are amortized over lives which are consistent with the related commercial properties or written off as a component of cost of sales for land.

Pre-development costs, which generally include legal and professional fees and other directly related third-party costs, are capitalized as part of the property being developed. In the event a development is no longer deemed to be probable, the costs previously capitalized are expensed.

In accordance with Statement of Financial Accounting Standards (SFAS) No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, long-lived assets are reviewed for impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable or the useful life has changed. Assets are evaluated based on their cash flows and profitability, including estimated future operating results, and trends or other determinants of fair value. If the total of the expected future undiscounted cash flows is less than the carrying amount of the asset, a loss is recognized for the difference between the fair value and the carrying value of the asset. For the year ended December 31, 2007, no impairment was recognized.

Sales of Real Estate

Earnings from sales of real estate are recognized when a third-party buyer has made an adequate cash down payment and has attained the attributes of ownership. Capitalized cost related to real estate is determined as a specific percentage of the sales revenues recognized for each land development project. The amount capitalized is based on actual costs incurred, total estimated development costs and sales revenues for each project. These estimates are revised annually and are based on the then-current development strategy and operating assumptions utilizing internally developed projections for product type, revenue and related development cost. Capitalized costs are depreciated over the estimated useful life of the asset.

Land Sales

Revenues from land sales are recognized using the full accrual method provided that various criteria relating to the terms of the transactions and our subsequent involvement with the land sold are met. Revenues relating to transactions that do not meet the established criteria are deferred and recognized when the criteria are met or using the installment or cost recovery methods, as appropriate in the circumstances. For land sale transactions in which we are required to perform additional services and incur significant costs after title has passed, revenues and cost of sales are recognized on a percentage of completion basis.

Cost of land sales is determined as a specified percentage of land sales revenues recognized for each community development project. The cost ratios used are based on actual costs incurred and

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

estimates of development costs and sales revenues to completion of each project. The ratios are reviewed regularly and revised for changes in sales and cost estimates or development plans. Significant changes in these estimates or future development plans, whether due to changes in market conditions or other factors, could result in changes to the cost ratio used for a specific project.

The specific identification method is used to determine cost of sales for certain parcels of land, including acquired parcels we do not intend to develop or for which development is complete at the date of acquisition.

Hotel and Country Club Revenue

Revenue is recognized as services are performed. Hotel revenue primarily represents room rentals and food and beverage sales. Country club revenues primarily represent dues, green fees, cart rentals, and food and beverage sales. Revenues may also include non-refundable initiation fees that are considered earned during the period. Non-refundable fees are amortized over the estimated membership life of nine years.

Sales of Commercial Properties

Sales of commercial properties are generally accounted for under the full accrual method. Under that method, gain is not recognized until the collectibility of the sales price is reasonably assured and the earnings process is complete. When a sale does not meet the requirements for income recognition, gain is deferred until those requirements are met. Sales of real estate are accounted for under the percentage-of-completion method when The Woodlands Partnerships have material obligations under sales contracts to provide improvements after the property is sold. Under the percentage-of-completion method, the gain on sale is recognized as the related obligations are fulfilled.

Lease Revenue

Commercial properties are leased to third-party tenants generally involving multi-year terms. These leases are accounted for as operating leases. See Note 3 for further information.

Depreciation

Depreciation of operating assets is recorded on the straight-line method over the estimated useful lives of the assets. Useful lives range predominantly from 15 to 40 years for land improvements and buildings, 3 to 20 years for leasehold improvements, and 3 to 10 years for furniture, fixtures and equipment. Property and equipment are carried at cost less accumulated depreciation.

Advertising

Advertising costs are charged to operations when incurred. For the year ended December 31, 2007, advertising costs totaled $4,361,000.

Deferred Financing Costs

Costs incurred to obtain debt financing are deferred and amortized over the estimated term of the related debt using the interest method.

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2007

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

Income Taxes

The Woodlands Partnerships are not income tax-paying entities and all income and expenses are reported by the partners for tax reporting purposes. No provision for federal income taxes is included in the accompanying consolidated financial statements for these entities. Effective March 1, 2002, WECCR GP, a wholly owned subsidiary of Woodlands Operating, elected to be classified as an association taxable as a corporation for federal income tax purposes. Accordingly, a provision for federal income tax has been provided.

Significant changes were made to the Texas franchise tax during the 79th and 80th sessions of the Texas legislature, whereby the Legislature extended the state franchise tax to partnerships (general, limited and limited liability). In previous years, The Woodlands Partnerships did not pay franchise taxes, since they were organized as partnerships and franchise taxes were not imposed. The revised tax base is based on a taxable entity's margin. The margin tax is calculated at a rate of 1 percent on the lesser of three calculations: a) total revenue less cost of goods sold, b) total revenue less compensation, or c) total revenue times 70 percent. For the year ended December 31, 2007, The Woodlands Partnerships recorded margin tax expense of $2,289,000.

The tax returns, the qualification of The Woodlands Partnerships for tax purposes and the amount of distributable partnership income or loss are subject to examination by federal taxing authorities. If such examinations result in changes with respect to partnership qualification or in changes to distributable partnership income or loss, the tax liability of the partners could be changed accordingly.

The Company has elected to defer the effective date of FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes—An Interpretation of FASB Statement No. 109*, until after its fiscal year ended December 31, 2008. The Company has continued to account for any uncertain tax positions in accordance with literature that was authoritative immediately prior to the effective date of FIN 48, such as the FASB Statement No. 109, *Accounting for Income Taxes, and FASB Statement No. 5, Accounting for Contingencies*.

Inventories

Inventory is carried at the lower of cost or market and consists primarily of golf-related clothing, equipment sold at golf course pro shops, and food and beverages sold at the hotel facility in The Woodlands. Cost is determined based on a first-in, first-out method.

Cash Equivalents

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2007, cash equivalents consisted primarily of money market accounts. At December 31, 2007, Woodlands Development cash accounts exceeded federally insured limits by approximately $9,595,000.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2007

Note 1: Nature of Operations and Summary of Significant Accounting Policies (Continued)

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

Recent Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements* (SFAS 160). The noncontrolling interest shall be reported separately from the parent's equity in the statement of financial position. Revenue, expenses, gains and losses, and net income or loss shall be reported in the consolidated financial statements at the consolidated amounts, which will include amounts attributable to the parent and the noncontrolling interest. The net income or loss attributable to the parent and noncontrolling interest shall also be disclosed. Certain additional disclosures may also be required in the parent's consolidated financial statements or notes thereto. SFAS 160 is effective for consolidated financial statements issued for fiscal years beginning after December 15, 2008. The Woodlands Partnerships are currently reviewing the effect of this statement on their consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, *Disclosures About Derivative Instruments and Hedging Activities—An Amendment of FASB Statement No. 133* (SFAS 161). SFAS 161 expands the disclosure requirements in SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, regarding an entity's derivative instruments and hedging activities. SFAS 161 is effective for the Company's fiscal year beginning after November 15, 2008. The Company does not expect the adoption of SFAS 161 to have a material effect on its consolidated financial statements.

The FASB has recently issued SFAS No. 141 (revised 2007), *Business Combinations* (FAS 141(R)), which replaces FAS 141. While many of the fundamental requirements of FAS 141 are retained, some of the more significant changes or new requirements include a broadened scope, requiring that all assets acquired and liabilities assumed be measured at fair value at the acquisition date, requiring certain costs be recognized separately from the acquisition as an expense when incurred, changing the requirements for recognition of contingent assets and liabilities, requiring recognition of contingent consideration at the acquisition date and requiring "negative goodwill" to be recognized immediately as a gain at the time of acquisition. FAS 141(R) applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008, and may not be applied before that date.

Note 2: Notes and Contracts Receivable

Notes receivable are carried at cost, net of discounts. At December 31, 2007, Woodlands Development held notes and contracts receivable totaling $72,351,000. Included in the notes receivable were amounts related to utility district receivables totaling $70,626,000. Utility district receivables, the collection of which is dependent on the ability of utility districts in The Woodlands to sell bonds, had a market interest rate of approximately and 4.8 percent at December 31, 2007. Included in the utility district receivables was a reserve of approximately $4,340,000 at December 31, 2007. The utility district receivables are analyzed on a monthly basis for valuation and collectibility utilizing a review of outstanding receivables, historical bond issuance information and economic conditions of the various districts located in The Woodlands. Utility district receivables are written off when the receivables are known to be uncollectible. At December 31, 2007, the other note receivable totaled $1,725,000. This

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2007

Note 2: Notes and Contracts Receivable (Continued)

note bears interest at an average rate of 7.3 percent for the year ending December 31, 2007, and matures in 2009.

Note 3: Real Estate

The following is a summary of real estate at December 31, 2007 (in thousands):

Land	$ 286,971
Commercial properties	222,654
Equity investments	2,709
Other assets	10,359
	522,693
Accumulated depreciation	(65,354)
	$ 457,339

Land

The principal land development is The Woodlands, a mixed-use, master-planned community located north of Houston, Texas. Residential land is divided into eight villages in various stages of development. Each village has or is planned to contain a variety of housing, neighborhood retail centers, schools, parks and other amenities. Woodlands Development controls the development of the residential communities and produces finished lots for sale to qualified builders. Housing is constructed in a wide range of pricing and product styles.

Commercial land is divided into distinct centers that serve or are planned to serve as locations for office buildings, retail and entertainment facilities, industrial and warehouse facilities, research and technology facilities, and college and training facilities. Woodlands Development produces finished sites for third parties or for its own building development activities.

Commercial Properties

Commercial and industrial properties owned or leased by The Woodlands Partnerships are leased to third-party tenants. Lease terms, including renewal periods, range from 1 to 15 years with an average remaining term of 8 years. Contingent rents include pass-throughs of incremental operating costs. Minimum future lease revenues from noncancellable operating leases and subleases exclude contingent rentals that may be received under certain lease agreements. Tenant rents include rent for noncancellable operating leases, cancelable leases, and month-to-month rents and are included in other revenue. For the year ended December 31, 2007, tenant rents totaled $5,080,000 and contingent rents totaled $301,000. Minimum future lease rentals for 2008 through 2012 and thereafter total $17,987,000, $18,998,000, $11,044,000, $9,299,000, $8,557,000 and $37,379,000, respectively.

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2007

Note 3: Real Estate (Continued)

Properties Held for Sale and Discontinued Operations

A summary of the operations from discontinued operations for the year ended December 31, 2007, is as follows (in thousands):

Revenues	$ 39,136
Operating expenses	(28,250)
Depreciation	(1,918)
Interest expense	(3,896)
Other expense	(154)
Income tax (expense) benefit	(3,984)
Net earnings	$ 934

During 2007, Woodlands Development sold a hotel property for $137,000,000 and recognized a profit of $99,976,000. Woodlands Development repaid debt totaling $50,000,000 related to the hotel property. Woodlands Development and Woodlands Commercial sold certain country club assets for $34,000,000 and recognized a profit of $1,257,000. Woodlands Commercial repaid $640,000 of its Conference Center debt as part of the sale. Woodlands Development sold a retail property for $5,800,000 and recognized a profit of $1,439,000. Woodlands Development repaid debt totaling $2,838,000 in connection with this sale.

Operating results for the assets sold and abandoned are reported as discontinued operations on the consolidated statements of earnings.

Note 4: Equity Method Investments

During 2007, The Woodlands Partnerships' principal partnership and corporation interests included the items listed in the table on the following page.

	Ownership and Economic Interest	Nature of Operations
Woodlands Development:		
Stewart Title of Montgomery County, Inc.	50%	Title company
Woodlands Commercial:		
Woodlands Office Equities—'95 Limited	25%	Office buildings in The Woodlands
FV-93 Limited	50% (economic interest)	Apartments

Other partnerships own various commercial properties, all of which are located in The Woodlands. Woodlands Operating provides various management and leasing services to these affiliated entities. The Woodlands Partnerships' net investment in each of these entities is included in the real estate caption on the consolidated balance sheets and their shares of these entities' pretax earnings is included in other revenues on the consolidated statements of earnings. A summary of The Woodlands Partnerships'

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2007

Note 4: Equity Method Investments (Continued)

net investments as of December 31, 2007, and their share of pretax earnings for the year then ended are as follows (in thousands):

Net investment:	
Stewart Title of Montgomery County, Inc.	$ 1,132
Woodlands Office Equities—'95 Limited	1,122
FV-93 Limited	786
Others that own properties in The Woodlands	(331)
	$ 2,709
Equity in pretax earnings:	
Stewart Title of Montgomery County, Inc.	$ 816
Woodlands Office Equities—'95 Limited	25
FV-93 Limited	3
Others that own properties in The Woodlands	45
	$ 889

Summarized financial statement information (unaudited) for partnerships and a corporation in which The Woodlands Partnerships have an equity ownership interest at December 31, 2007, and for the year then ended are as follows (in thousands):

Assets	$ 32,184
Debt payable to third parties:	
The Woodlands Partnerships' proportionate share:	
Recourse to The Woodlands Partnerships	76
Nonrecourse to The Woodlands Partnerships	1,594
Other parties' proportionate share, of which $1,006 was guaranteed by The Woodlands Partnerships	13,911
Accounts payable and deferred credits	1,839
Owners' equity	14,764
Revenues	14,709
Operating earnings	4,454
Pretax earnings	3,367
The Woodlands Partnerships' share of pretax earnings	889

Woodlands Commercial has guaranteed mortgage debt of its unconsolidated affiliates totaling $1,142,000 at December 31, 2007, respectively. These guarantees reduce in varying amounts through 2010 and would require payments only in the event of default on payment by the respective debtors.

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2007

Note 5: Debt

A summary of The Woodlands Partnerships' outstanding debt at December 31, 2007, is as follows (in thousands):

Senior credit facility	$ 291,539
Conference Center debt	59,360
Other credit facilities	25,381
Mortgages payable	25,845
	$ 402,125

Senior Credit Facility

Woodlands Development and Woodlands Commercial have a bank credit agreement consisting of a $280,000,000 (previously $230,000,000) term loan and a $70,000,000 revolving credit loan. The credit agreement has a three-year term expiring in August 2009 with two one-year extension options. At December 31, 2007, approximately $43,461,000 was available to be borrowed under the revolving credit agreements. The interest rate, based on the LIBOR plus a margin, was approximately 7.2 percent at December 31, 2007. Interest is paid monthly. Commitment fees, based on 0.25 percent of the unused commitment, totaled $152,000 for the year ended December 31, 2007.

The credit agreement contains certain restrictions that, among other things, require the maintenance of specified financial ratios, restrict indebtedness and sale, lease or transfer of certain assets and limit the right of Woodlands Development and Woodlands Commercial to merge with other companies and make distributions to their partners. Certain assets of Woodlands Development and Woodlands Commercial, including cash, receivables and real estate, secure the credit agreement. Mandatory debt maturities for 2009 are $306,539,000. Payments may be made by Woodlands Development or Woodlands Commercial or both at their option. Principal payments may be required based on certain covenant tests. Prepayments can also be made at the discretion of Woodlands Development and Woodlands Commercial without penalty.

Conference Center Debt

The debt consists of a credit facility related to and secured by The Woodlands Conference Center. The credit facility has an average interest rate of 8.0 percent at December 31, 2007. Interest is paid monthly. The credit facility matures in October 2011 or is required to be repaid upon the sale of The Woodlands Conference Center.

Other Credit Facilities

At December 31, 2007, Town Center Development Company, L.P. (TCDC), a wholly owned subsidiary of Woodlands Development, had three loan commitments totaling $74,103,000 secured by new commercial construction. The interest rate, based on the LIBOR plus a margin, was approximately 6.4 percent at December 31, 2007. At December 31, 2007, the outstanding balance was $25,381,000. Mandatory debt maturities for 2008 to 2010 are $-0-, $4,768,000 and $20,613,000, respectively.

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2007

Note 5: Debt (Continued)

Derivative Financial Instruments

As a strategy to maintain acceptable levels of exposure to the risk of changes in future cash flows due to interest rate fluctuations, The Woodlands Partnerships have entered into various derivative agreements.

Woodlands Development and Woodlands Commercial entered into interest rate cap agreements with two commercial banks to reduce the impact of increases in interest rates on their bank credit agreements. The interest rate cap agreements effectively limit the interest rate exposure on a notional amount of $200,000,000 to LIBOR rates of 6.50 percent, and exposure on a notional amount of $50,000,000 to LIBOR rates of 5.75 percent. The $200,000,000 interest rate cap agreement expires in 2009 and the $50,000,000 interest rate cap agreement expires in 2008.

Management has designated the interest rate cap agreements as a hedging instrument. However, management has deemed amounts associated with the derivatives and hedging transactions to be immaterial to the consolidated financial statements and, as a result, the agreements have not been reflected in the consolidated financial statements.

Mortgages Payable

The mortgages payable had an average interest rate of 7.0 percent at December 31, 2007. Debt maturities for 2008 through 2012 and thereafter total $3,463,000, $8,473,000, $13,808,000, $-0-, $-0- and $101,000, respectively. Mortgages payable are all secured by real estate.

Note 6: Notes Payable to Partners

At December 31, 2007, Woodlands Development had notes payable to its partners totaling $25,000,000. The notes bear interest at 15 percent. Interest is payable quarterly. All outstanding balances are due in 2010. These notes are subordinate to the bank credit agreement and mortgages payable described previously.

Note 7: Commitments and Contingencies

Contingent Liabilities

At December 31, 2007, The Woodlands Partnerships issued letters of credit in the amount of $801,000. The letters of credit act as guarantees of payment to third parties in accordance with specific terms and conditions of each letter. The term of these letters of credit is for a period of 12 months from the date of the original agreement.

At December 31, 2007, The Woodlands Partnerships guaranteed road bonds in the amount of $1,932,000. These guarantees act as a warranty on the roads for a period of 12 months from the date the roads are completed. Under these agreements, The Woodlands Partnerships have guaranteed they will make all repairs necessary to maintain the roads in good condition.

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2007

Note 7: Commitments and Contingencies (Continued)

Leases

The Woodlands Partnerships have various noncancellable facilities and equipment lease agreements that provide for aggregate future payments of approximately $4,103,000. Capital lease obligations are included as other liabilities in the consolidated balance sheets. On the following page are minimum rental payments for the years subsequent to December 31, 2007 (in thousands).

	Capital Leases	Operating Leases		
	Woodlands Development	Woodlands Commercial	Woodlands Operating	Total
2008	$ 366	$ 2,238	$ 558	$ 3,162
2009	131	2,238	561	2,930
2010	37	—	124	161
2011	27	—	70	97
2012	18	—	52	70
	$ 579	$ 4,476	$ 1,365	$ 6,420

Rental expense for operating leases for the year ended December 31, 2007 was $4,588,000.

General Litigation

The Woodlands Partnerships are subject to claims and legal actions arising in the ordinary course of their business and to recurring examinations by the Internal Revenue Service and other regulatory agencies. Management believes, after consultation with outside counsel, that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the consolidated financial position, results of operations and cash flows of the Company.

Commitments

As of December 31, 2007, the Woodlands Partnerships had unrecorded development contract commitments outstanding of approximately $184,687,000.

Note 8: Related-party Transactions

Woodlands Operating provides services to Woodlands Development and Woodlands Commercial under management and advisory services agreements. These agreements are automatically renewed annually. Woodlands Development and Woodlands Commercial pay Woodlands Operating a management and advisory fee equal to cost plus 3 percent. In addition, they reimburse Woodlands Operating for all costs and expenses incurred on their behalf. For the year ended December 31, 2007, Woodlands Operating recorded revenues of $10,700,000 for services provided to Woodlands Development and $1,148,000 for services provided to Woodlands Commercial. These revenues are eliminated in the accompanying consolidated financial statements.

Woodlands Operating, through WECCR GP, operates The Woodlands Conference Center (the Facilities) which is owned by Woodlands Commercial. The Facilities consist of a 440-room hotel and

Note 8: Related-party Transactions (Continued)

conference center. Woodlands Commercial also owned golf course facilities that were sold in May 2007. WECCR GP operates the Facilities and pays Woodlands Commercial rent of $700,000 per month. For the year ended December 31, 2007, rent totaled $8,650,000. These amounts are eliminated in the accompanying consolidated financial statements. WECCR GP has contracted with an affiliate of Morgan Stanley to manage the Facilities for a management fee equal to 2.5 percent of cash receipts, as defined in the agreement. During 2007, the management fee totaled $1,107,000.

Note 9: Partners' Equity

Rouse's ownership interests in The Woodlands Partnerships are through TWC Land Development L.P. (which owns a 42.5 percent interest in Woodlands Development), TWC Commercial Properties L.P. (which owns a 42.5 percent interest in Woodlands Commercial), and TWC Operating L.P. (which owns a 42.5 percent interest in Woodlands Operating). Morgan Stanley's ownership interests are through MS/TWC Joint Venture and MS TWC, Inc., which own the remaining interests in Woodlands Development, Woodlands Commercial and Woodlands Operating. The partners' percentage interests are summarized as follows:

	General Partner Interest	Limited Partner Interest
Woodlands Development:		
TWC Land Development L.P.	42.5%	—
MS/TWC Joint Venture	—	56.5%
MS TWC, Inc.	1.0%	—
Woodlands Commercial:		
TWC Commercial Properties L.P.	42.5%	—
MS/TWC Joint Venture	—	56.5%
MS TWC, Inc.	1.0%	—
Woodlands Operating:		
TWC Operating L.P.	42.5%	—
MS/TWC Joint Venture	—	56.5%
MS TWC, Inc.	1.0%	—

The partnership agreements for each of the partnerships provide, among other things, the following:

(i) The Woodlands Partnerships are each governed by an Executive Committee composed of equal representation from their respective general partners.

(ii) Net income and losses from operations are currently allocated based on the payout percentages discussed below.

(iii) Distributions are made by The Woodlands Partnerships to the partners based on specified payout percentages and include cumulative preferred returns to Morgan Stanley's affiliates. The payout percentage to Morgan Stanley's affiliates is 57.5 percent until the affiliates receive distributions on a consolidated basis equal to their capital contributions and a 12.0 percent cumulative preferred return compounded quarterly. Then, the payout percentage to Morgan

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2007

Note 9: Partners' Equity (Continued)

Stanley's affiliates is 50.5 percent until the affiliates receive distributions equal to their capital contributions and an 18.0 percent cumulative preferred return compounded quarterly. Thereafter, the payout percentage to Morgan Stanley's affiliates is 47.5 percent. During 2001, Morgan Stanley's affiliates received sufficient cumulative distributions from The Woodlands Partnerships to exceed Morgan Stanley's affiliates' capital contributions plus cumulative returns of 18.0 percent. Accordingly, Morgan Stanley's affiliates are currently receiving a payout percentage of 47.5 percent, and Rouse's affiliates are receiving 52.5 percent from The Woodlands Partnerships.

(iv) The Woodlands Partnerships will continue to exist until December 31, 2040, unless terminated earlier due to specified events.

(v) No additional partners may be admitted to The Woodlands Partnerships unless specific conditions in the partnership agreements are met. Partnership interests may be transferred to affiliates of Rouse or Morgan Stanley. Rouse has the right of first refusal to buy the partnership interests of the Morgan Stanley affiliates at the same terms and conditions offered to a third-party purchaser or sell its affiliates' interests to the same third-party purchaser.

(vi) Rouse and Morgan Stanley have the right to offer to purchase the other partner's affiliates' partnership interests in the event of failure to make specified capital contributions or a specified default by the other. Specified defaults include bankruptcy, breach of partnership covenants, transfer of partnership interests except as permitted by the partnership agreements, and fraud or gross negligence.

Note 10: Fair Value of Financial Instruments

The estimated fair values of The Woodlands Partnerships' financial instruments as of December 31, 2007, approximated their carrying amounts, with the exception of the notes payable to partners for Woodlands Development, which had an estimated fair value of $29,261,000. Fair values of notes and contracts receivable were estimated by discounting future cash flows using interest rates at which similar loans currently could be made for similar maturities to borrowers with comparable credit ratings. Fair values of fixed-rate, long-term debt were based on current interest rates offered to The Woodlands Partnerships for debt with similar remaining maturities. For floating-rate debt obligations, carrying amounts and fair values were assumed to be equal because of the nature of these obligations. The carrying amounts of The Woodlands Partnerships' other financial instruments approximate their fair values.

Note 11: Employee Plans

Defined Contribution Plan

Woodlands Operating has a 401(k) defined contribution plan that is available to all full-time employees who meet specified service requirements. The plan is administered by a third party. Contributions to the plan are based on a match of employee contributions up to a specified limit. For the year ended December 31, 2007, Woodlands Operating contributions totaled approximately $783,000.

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2007

Note 11: Employee Plans (Continued)

Supplemental Executive Retirement Plan

Woodlands Operating has deferred compensation arrangements for a select group of management employees that provide the opportunity to defer a portion of their cash compensation. Woodlands Operating's obligations under this plan are unsecured general obligations to pay in the future, the value of the deferred compensation adjusted to reflect the performance of its investments, whether positive or negative, of selected measurement options, chosen by each participant, during the deferral period. Woodlands Operating has established trust accounts on behalf of the participating employees totaling $1,447,000 that are included in other assets at December 31, 2007.

Incentive Plans

Woodlands Operating instituted an incentive compensation plan for certain employees in 2001. The plan is unfunded, and while certain payments are made currently, a portion of these payments is deferred and will be paid based on a vesting period of up to three years. For the year ended December 31, 2007, expenses recognized by The Woodlands Partnerships under this plan totaled $3,506,000.

Note 12: Income Taxes

The income tax provision for the year ended December 31, 2007, is as follows (in thousands):

Deferred income tax	$ (274)
Current income taxes	6,230
	$ 5,956

The income tax benefit reflected in the consolidated statements of earnings differs from the amounts computed by applying the federal statutory rate of 35 percent to income before income taxes as follows (in thousands):

Income tax benefit at statutory rate	$ 3,689
Texas margin tax	2,289
Permanent differences	146
NOL carryforward/change to prior year book/tax differences	(274)
Other	106
	$ 5,956

Deferred taxes are provided for the temporary differences between the financial reporting basis and the tax basis of WECCR GP's assets and liabilities and for operating loss carryforwards. Significant

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2007

Note 12: Income Taxes (Continued)

components of WECCR GP's net deferred tax asset at December 31, 2007, are as follows (in thousands):

Deferred tax assets:	
Other	$ 274
Deferred tax liabilities	—
Net deferred tax asset	$ 274

WECCR GP had net operating loss carryforwards of $784,000 at December 31, 2006, that was applied to reduce taxable income in 2007. There is no net operating loss carryforward at December 31, 2007.

SFAS No. 109, Accounting for Income Taxes, requires a valuation allowance to reduce the deferred tax assets reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Accordingly, management has provided no valuation allowance at December 31, 2007.

The net deferred tax assets are included in other assets on the consolidated balance sheets at December 31, 2007.

Note 13: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Municipal Utility District (MUD) Receivables

The state of Texas allows for the creation of MUDs which may reimburse Woodlands Development for construction costs associated with building water distribution and purification systems, sewer facilities and drainage facilities. Woodlands Development constructs the facilities and once the MUDs have enough value on the ground (tax base), the MUDs will issue bonds to reimburse Woodlands Development for costs (including interest) according to the Texas Commission on Environmental Quality (TCEQ). Woodlands Development estimates the costs which they believe will be eligible for reimbursement as MUD receivables. Periodically, management evaluates these receivable balances and makes adjustments to reflect changes in conditions related to such receivables. Actual receivables could differ from the estimates recorded in these financial statements.

Cost of Sales Estimates

During development projects, Woodlands Development estimates sales prices on a per lot basis as villages are developed. These sales estimates are then utilized throughout the project to estimate a percentage of cost of sales to be applied when portions of a development are sold. These cost of sales estimates are updated annually based on actual land costs incurred plus estimates to complete the villages.

TWLDC Holdings, L.P.

Notes to Consolidated Financial Statements (Continued)

December 31, 2007

Note 13: Significant Estimates and Concentrations (Continued)

Senior Credit Facility

As discussed in Note 5, Woodlands Development and Woodlands Commercial have a bank credit agreement with approximately $291,539,000 due in August 2009. The agreement has two one-year extension options. However, as of February 27, 2009, the Partnerships had not obtained a commitment to extend. Inability to extend the existing agreement, or otherwise renegotiate or refinance the agreement, could adversely affect The Woodlands Partnerships future operations.

Impairment Determinations

In accordance with SFAS No. 144, the Company evaluates its long-lived assets for impairment when events or changes in circumstances indicate the carrying amount of an asset may not be recoverable or the useful life has changed. These assets are evaluated based on their estimated cash flows and profitability, including estimated future operating results, and trends or other determinants of fair value. Actual cash flows, profitability and trends could differ materially from these estimates.

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused Amendment No. 1 to this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Spinco, Inc.

Date: October 7, 2010	By:	/s/ THOMAS NOLAN, JR.
	Name:	Thomas Nolan, Jr.
	Title:	President and Chief Operating Officer

EXHIBIT LIST

Exhibit No.	Description of Exhibit
2.1	Form of Separation Agreement between Spinco, Inc. and General Growth Properties, Inc., dated , 2010.
3.1*	Form of Amended and Restated Certificate of Incorporation of Spinco, Inc.
3.2*	Form of Amended and Restated Bylaws of Spinco, Inc., dated , 2010.
4.1*	Form of Registration Rights Agreement dated , 2010, between Spinco, Inc. and Brookfield Investor.
4.2*	Form of Registration Rights Agreement dated , 2010, between Spinco, Inc. and Fairholme.
4.3*	Form of Registration Rights Agreement dated , 2010, between Spinco, Inc. and Pershing Square.
4.4*	Form of Registration Rights Agreement dated , 2010, between Spinco, Inc., M.B. Capital Partners, M.B. Capital Partners III and M.B. Capital Units LLC.
10.1	Form of Transition Services Agreement between Spinco, Inc. and General Growth Properties, Inc., dated , 2010.
10.2*	Form of Tax Matters Agreement between Spinco, Inc. and General Growth Properties, Inc., dated , 2010.
10.3*	Form of Non-Control Agreement among Spinco, Inc. and Pershing Square Capital management, L.P., dated , 2010.
10.4	Management Services Agreement between Spinco, Inc. and Brookfield Advisors, dated August 6, 2010.
10.5*	Form of Indemnification Agreement for officers and directors.
10.6*	Form of Warrant Agreement dated , 2010, between Spinco, Inc. and Brookfield Investor.
10.7*	Form of Warrant Agreement dated , 2010, between Spinco, Inc. and Fairholme.
10.8*	Form of Warrant Agreement dated , 2010, between Spinco, Inc. and Pershing Square.
10.9*	Form of Warrant Agreement dated , 2010 between Spinco Inc. and Blackstone.
10.10*	Form of 2010 Equity Incentive Plan for officers, directors and other employees.
10.11*	Form of Letter Agreement dated , 2010, between Spinco, Inc. and Brookfield Investor.
10.12*	Form of Letter Agreement dated , 2010, between Spinco, Inc. and Fairholme.
10.13*	Form of Letter Agreement dated , 2010, between Spinco, Inc. and Pershing Square.
11.1*	Statement re computation of per share earnings.
21.1	List of Subsidiaries.

* To be filed by amendment.

Exhibit 2.1

Draft - 09/30/10

SEPARATION AGREEMENT

BY AND BETWEEN

GENERAL GROWTH PROPERTIES, INC.

AND

SPINCO, INC.

Dated [·], 2010

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

SEPARATION AGREEMENT

This SEPARATION AGREEMENT (this "Agreement"), dated as of [·], 2010, is by and between General Growth Properties, Inc., a Delaware corporation ("GGP"), and Spinco, Inc., a Delaware corporation ("Spinco"). Capitalized terms used herein shall have the meanings assigned to them in Article I hereof or as otherwise expressly set forth herein.

RECITALS

WHEREAS, the board of directors of GGP has determined that it is in the best interests of GGP and its shareholders to create a new publicly traded company which shall operate the Spinco Business;

WHEREAS, Spinco has been incorporated solely for these purposes and has not engaged in activities except in preparation for its corporate restructuring and the distribution of its stock;

WHEREAS, the board of directors of GGP and the board of directors of Spinco have approved the transfer of the Spinco Assets to Spinco and its Subsidiaries and the assumption by Spinco and certain of its Subsidiaries of the Spinco Liabilities, all as more fully described in this Agreement and the other Transaction Documents;

WHEREAS, pursuant to the terms of the Order, the Bankruptcy Court approved the distribution of shares of the common stock, no par value per share, of Spinco (the "Spinco Common Stock") to the holders of issued and outstanding units of GGP LP as of the close of business on the Record Date;

WHEREAS, pursuant to the terms of the Order, the Bankruptcy Court has further approved the distribution of Spinco Common Stock to the holders of issued and outstanding common shares, $0.01 par value per share, of GGP (the "GGP Common Shares") as of the close of business on the Record Date, on the basis of 0.0983 shares of Spinco Common Stock for every one (1) GGP Common Share; provided, however, that no fractional shares shall be issued (the "Distribution");

WHEREAS, GGP and Spinco have prepared, and Spinco has filed with the SEC, the Form 10, including the information statement contained therein, and which sets forth disclosure concerning Spinco and the Distribution;

WHEREAS, commencing on April 16, 2009 and continuing thereafter, GGP and certain of its Subsidiaries filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), Case No. 09-11977 (ALG) (collectively, the (the "Bankruptcy Cases");

WHEREAS, the Distribution will be implemented in connection with the Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code by GGP and certain of its Subsidiaries filed with the United States Bankruptcy Court for the Southern District of New

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York on [·], as it may be subsequently amended and supplemented, as approved by the Bankruptcy Court (the "Plan") and;

WHEREAS, for U.S. federal income tax purposes, certain steps of the Restructuring and the Distribution are intended to qualify for tax-free treatment under Sections 351, 355, 368(a) and related provisions of the Code;

WHEREAS, GGP has received a private letter ruling from the IRS to the effect that, among other things, (i) certain steps of the Restructuring and the Distribution, taken together, qualify as a transaction (a) that is described in Sections 355(a) and 368(a)(1)(G) of the Code, (b) in which the Spinco Common Stock distributed is "qualified property" under Section 361(c) of the Code and (c) in which the holders of GGP Common Shares recognize no income or gain for U.S. federal income tax purposes under Section 355 of the Code, and (ii) certain other steps of the Spinoff Plan qualify as transactions that are described in Sections 355(a) and 368(a)(1)(G) of the Code (the "Private Letter Ruling");

WHEREAS, this Agreement is intended to be a "plan of reorganization" within the meaning of Treas. Reg. 1.368-2(g); and

WHEREAS, it is appropriate and desirable to set forth the principal corporate transactions required to effect the Restructuring and the Distribution and to set forth certain other agreements that will, following the Distribution, govern certain matters relating to the Restructuring and the Distribution and the relationship of GGP, Spinco and their respective Subsidiaries.

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Certain Definitions. For purposes of this Agreement, the following terms shall have the meanings specified in this Section 1.1:

"Action" means any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

"Affiliate" (including, with a correlative meaning, "affiliated") means, when used with respect to a specified Person, a Person that directly or indirectly, through one (1) or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition, "control" (including with correlative meanings, "controlled by" and "under common control with"), when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the

management and policies of such Person, whether through the ownership of voting securities or other interests, by Contract, agreement, obligation, promise, arrangement or otherwise. It is expressly agreed that, from and after the Effective Time and for purposes of this Agreement and the other Transaction Documents, no member of the Spinco Group shall be deemed to be an Affiliate of any member of the GGP Group, and no member of the GGP Group shall be deemed to be an Affiliate of any member of the Spinco Group.

"Ala Moana Condominium Declaration" means a Declaration of Condominium Property Regime of 1555 Kapiolani Condominium in substantially the form attached hereto as Exhibit A-1 to be recorded concurrently with the execution of the Ala Moana Development Agreement.

"Ala Moana Development Agreement" means the Development Agreement in substantially the form attached hereto as Exhibit A-2 to be entered into by Kapiolani Retail LLC and Kapiolani Residential, LLC on or prior to the Plan Effective Date.

"Ancillary Documents" means the Tax Matters Agreement, the Transition Services Agreement, the Employee Matters Agreement, the Employee Leasing Agreement, the Real Estate Agreements, the Transfer Documents, the Subleases, the Surety Bond Indemnity Agreement and the Assumption Agreement.

"Approvals or Notifications" means any consents, waivers, approvals, permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any third Person, including any Governmental Authority.

"Arizona 2 Promissory Note" means the Promissory Note in substantially the form attached hereto as Exhibit B to be made by GGP LP on or prior to the Plan Effective Date.

"Assets" means, with respect to any Person, the assets, properties, claims and rights (including goodwill) held by or in the name of such Person, wherever located (including in the possession of vendors or other third Persons or elsewhere), of every kind, character and description, whether real, personal or mixed, tangible, intangible or contingent, known or unknown, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of such Person, including the following:

(a) all accounting and other books, records and files whether in paper, microfilm, microfiche, computer tape or disc, magnetic tape, electronic or any other form;

(b) all apparatus, computers and other electronic data processing and communications equipment, fixtures, machinery, equipment, furniture, office equipment, automobiles, trucks, motor vehicles and other transportation equipment and other tangible personal property;

(c) all inventories of materials, parts, raw materials, components, supplies, work-in-process and finished goods and products;

(d) all interests in real property of whatever nature, including easements, whether as owner, mortgagee or holder of a Security Interest in real property, lessor, sublessor, lessee, sublessee, licensor, licensee or otherwise;

(e) (i) all interests in any capital stock or other equity interests of any Subsidiary or any other Person, (ii) all bonds, notes, debentures or other securities issued by any Subsidiary or any other Person, (iii) all loans, advances or other extensions of credit or capital contributions to any Subsidiary or any other Person and (iv) all other investments in securities of any Person;

(f) all license agreements, leases of personal property, open purchase orders for raw materials, supplies, parts or services and other Contracts, agreements or commitments;

(g) all written (including in electronic form) or oral technical information, data, specifications, research and development information, engineering drawings and specifications, operating and maintenance manuals, and materials and analyses prepared by consultants and other third Persons;

(h) all Intellectual Property and Technology;

(i) all Software;

(j) all cost information, sales and pricing data, customer prospect lists, supplier records, customer and supplier lists, customer and vendor data, correspondence and lists, product data and literature, artwork, design, formulations and specifications, quality records and reports and other books, records, studies, surveys, reports, plans and documents;

(k) all prepaid expenses, trade accounts and other accounts and notes receivable;

(l) all rights under Contracts, agreements and entitlements, all claims or rights against any Person arising from the ownership of any Asset or otherwise, all rights in connection with any bids or offers and all claims, choses in action or similar rights, whether accrued or contingent;

(m) all rights under insurance policies and all rights in the nature of insurance, indemnification or contribution;

(n) all licenses, permits, approvals and authorizations which have been issued by any Governmental Authority; and

(o) all interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements.

"Assumption Agreement" means the Assumption Agreement in substantially the form attached hereto as Exhibit C to be entered into by GGP and Spinco on or prior to the Plan Effective Date.

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

"Columbia Development Agreement" means the Development Agreement and Memorandum of Intent in substantially the form attached hereto as Exhibit D to be entered into by GGP LP and Spinco on or prior to the Plan Effective Date.

"Contract" means any contract, agreement, indenture, note, bond, mortgage, loan, instrument, lease, license, commitment or other arrangement, understanding, undertaking, commitment or obligation, whether written or oral.

"Cornerstone Investment Agreement" means the Amended and Restated Cornerstone Investment Agreement, effective as of March 31, 2010, by and between GGP and REP Investments LLC, as it may be further amended.

"Disclosure Statement" means the disclosure statement in respect of the Plan, including all exhibits and schedules thereto, as it may be amended, supplemented or otherwise modified from time to time, and as approved by the Bankruptcy Court in accordance with Section 1125 of the Bankruptcy Code.

"Distribution Agent" means The Bank of New York Mellon Corporation (and/or its affiliates).

"Effective Time" means the time at which the Distribution occurs as provided in the Order.

"Employee Leasing Agreement" means the Employee Leasing Agreement in substantially the form attached hereto as Exhibit E, to be entered into by and between GGP and Spinco or a Subsidiary thereof on or prior to the Plan Effective Date.

"Employee Matters Agreement" means the Employee Matters Agreement in substantially the form attached hereto as Exhibit F, to be entered into by and between GGP and Spinco or a Subsidiary thereof on or prior to the Plan Effective Date.

"Environmental Law" means any applicable Law relating to pollution, protection or restoration of or prevention of harm to the environment or natural resources, including the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time that reference is made.

"Fairholme Investment Agreement" means the Amended and Restated Stock Purchase Agreement, effective as of March 31, 2010, by and between GGP and The Fairholme Fund, a series of Fairholme Funds, Inc., and Fairholme Focused Income Fund, a series of Fairholme Funds, Inc., as it may be further amended.

"Fashion Show Core Principles" means the Fashion Show Air Rights — Core Principles in substantially the form attached hereto as Exhibit G to be entered into by GGP LP and Spinco on or prior to the Plan Effective Date.

"Force Majeure" means, with respect to a party, an event beyond the reasonable control of such party (or any Person acting on its behalf), and includes acts of God, storms, floods, riots, fires, sabotage, civil commotion or civil unrest, interference by civil or military authorities, acts of war (declared or undeclared) or armed hostilities or other national or international calamity or one (1) or more acts of terrorism or failure of energy sources or distribution facilities. Notwithstanding the foregoing, the receipt by a party of an unsolicited takeover offer or other acquisition proposal, even if unforeseen or unavoidable, and such party's response thereto shall not be deemed an event of Force Majeure.

"Form 10" means the registration statement on Form 10 filed by Spinco with the SEC on August 25, 2010 to effect the registration of Spinco Common Stock pursuant to the Exchange Act in connection with the listing of Spinco's common stock on the New York Stock Exchange, as such registration statement may be amended or supplemented from time to time.

"GGP Business" means the businesses and operations conducted immediately prior to the Effective Time by any member of the GGP Group that are not included in the Spinco Business.

"GGP Disclosure Documents" means any registration statement filed with the SEC in the name of any member of the GGP Group as registrant, and any prospectus, offering memorandum, offering circular or similar disclosure document, whether or not filed with the SEC or any other Governmental Authority, that is prepared in connection with any such registration statement.

"GGP Group" means GGP and each of its direct and indirect Subsidiaries immediately following implementation of the Spinoff Plan, expressly excluding the Spinco Group.

"GGP Intellectual Property" means (i) the GGP Name and GGP Marks and (ii) all other Intellectual Property that is owned by any member of the GGP Group immediately after the Effective Time.

"GGP LP" means GGP Limited Partnership, a Delaware limited partnership.

"GGP Name and GGP Marks" means the names, marks, trade dress, logos, monograms, domain names and other source or business identifiers of GGP or any of its Subsidiaries using or containing "GGP" (in block letters or otherwise), "GGP" either alone or in combination with other words or elements and all names, marks, trade dress, logos, monograms, domain names and other source or business identifiers confusingly similar to or embodying any of the foregoing either alone or in combination with other words or elements, together with the goodwill associated with any of the foregoing.

"GGP Software" means all Software that is owned by any member of the GGP Group immediately after the Effective Time.

"GGP Technology" means all Technology that is owned by any member of the GGP Group immediately after the Effective Time.

"Governmental Authority" means any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

"Group" means the GGP Group or the Spinco Group, as the context requires.

"Hazardous Materials" means any chemical, material, substance, waste, classified, regulated or otherwise classified as "hazardous," "toxic," "pollutant" or "contaminant," or words of similar meaning or effect or any other material, substance or waste, that could result in liability under, or that is prohibited, limited or regulated by or pursuant to, any Environmental Law, and any natural or artificial substance (whether solid, liquid or gas, noise, ion, vapor or electromagnetic) which could cause harm to the environment, including petroleum, petroleum products and byproducts, asbestos and asbestos-containing materials, urea formaldehyde foam insulation, electronic, medical or infectious wastes, polychlorinated biphenyls, radon gas, radioactive substances, chlorofluorocarbons and all other ozone-depleting substances.

"Information" means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, Contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

"Insurance Policies" means the insurance policies written by insurance carriers, including any self-insurance arrangements, pursuant to which Spinco or one (1) or more of its Subsidiaries (or their respective officers or directors) will be insured parties after the Effective Time.

"Insurance Proceeds" means those monies (i) received by an insured from an insurance carrier, (ii) paid by an insurance carrier on behalf of the insured or (iii) received (including by way of set off) from any third Person in the nature of insurance, contribution or indemnification in respect of any Liability; in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses incurred in the collection thereof.

"Intellectual Property" means all of the following whether arising under the Laws of the United States or of any other foreign or multinational jurisdiction: (i) patents, patent

applications (including patents issued thereon) and statutory invention registrations, including reissues, divisions, continuations, continuations in part, substitutions, renewals, extensions and reexaminations of any of the foregoing, and all rights in any of the foregoing provided by international treaties or conventions, (ii) trademarks, service marks, trade names, service names, trade dress, logos and other source or business identifiers, including all goodwill associated with any of the foregoing, and any and all common law rights in and to any of the foregoing, registrations and applications for registration of any of the foregoing, all rights in and to any of the foregoing provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing, (iii) Internet domain names, (iv) copyrightable works, copyrights, moral rights, mask work rights, database rights and design rights, in each case, other than Software, whether or not registered, and all registrations and applications for registration of any of the foregoing, and all rights in and to any of the foregoing provided by international treaties or conventions, (v) confidential and proprietary information, including trade secrets, invention disclosures, processes and know-how, in each case, other than Software, and (vi) intellectual property rights arising from or in respect of any Technology.

"Investment Agreements" means the Cornerstone Investment Agreement, Fairholme Investment Agreement and Pershing Investment Agreement.

“IP Application” means any application for the registration, issuance or perfection of any intellectual property rights, including patent applications, copyright applications and trademark applications.

“IRS” means the United States Internal Revenue Service.

“Law” means any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any income tax treaty), license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

“Liabilities” means any and all debts, guarantees, liabilities, costs, expenses, interest and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured, reserved or unreserved, or determined or determinable (now or in the future), including those arising under any Law, claim (including any third Person product liability claim), demand, Action, whether asserted or unasserted, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority and those arising under any Contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

“Order” means the order of the Bankruptcy Court approving the Distribution.

“Pershing Investment Agreement” means the Amended and Restated Stock Purchase Agreement, effective as of March 31, 2010, by and between GGP and Pershing Square Capital Management, L.P. on behalf of Pershing Square, L.P., Pershing Square II, L.P., Pershing

Square International, Ltd. and Pershing Square International V, Ltd., as it may be further amended.

“Person” means any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, Governmental Authority or other entity.

“Plan Effective Date” means the date on which distributions to holders of claims and equity interests commences pursuant to the Plan, or such other time as determined by GGP in accordance with Section 3.3.

“Pre-GGP Insurance Policies” means third-party insurance policies held by GGP or its Subsidiaries that are in effect immediately after the Effective Time that satisfy each of the following conditions: (i) such insurance policy was acquired directly or indirectly by GGP as a result of GGP’s acquisition of the holder of such insurance policy, and (ii) at the time of such acquisition, the business of the holder of such insurance policy related to some or all of the businesses comprising the Spinco Business.

“Real Estate Agreements” means the Ala Moana Condominium Declaration, the Ala Moana Development Agreement, the Arizona 2 Promissory Note, the Columbia Development Agreement and the Fashion Show Core Principles.

“Record Date” means [·], 2010.

“Registration Rights Agreement” means the Registration Rights Agreement in substantially the form attached hereto as Exhibit H, to be entered into by and between certain purchasers to be named therein and Spinco, as of the Effective Time.

“Restructuring” means the transfer of the Spinco Assets to Spinco and its Subsidiaries and the assumption of the Spinco Liabilities by Spinco and its Subsidiaries, and the transfer of certain Excluded Assets to GGP and its Subsidiaries and the assumption by GGP and its Subsidiaries of certain Excluded Liabilities, all as more fully described in this Agreement and the other Transaction Documents and including the steps set forth in the Spinoff Plan and the Plan.

“SEC” means the United States Securities and Exchange Commission.

“Securities Act” means the United States Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time that reference is made.

“Security Interest” means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance of any other nature.

“Software” means any and all (i) computer programs, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, (ii) databases and compilations, including any

and all data and collections of data, whether machine readable or otherwise, (iii) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, and (iv) documentation, including user manuals and other training documentation, relating to any of the foregoing.

“Spinco Balance Sheet” means Spinco’s unaudited pro forma condensed combined balance sheet in Item 2 of the Form 10.

“Spinco Business” means the management, operation and development of the properties and assets described in Item 1 of the Form 10, as conducted by any member of the Spinco Group immediately prior to the Effective Time.

“Spinco Contracts” means the following Contracts, to the extent in effect immediately prior to the Effective Time:

(a) any Contracts to which one or more members of the Spinco Group is a party; provided that no members of the GGP Group are also party to such Contracts;

(b) any Contracts that relate exclusively to the Spinco Business; and

(c) any Contract that is otherwise expressly contemplated pursuant to this Agreement or any of the other Transaction Documents to be assigned to Spinco or any member of the Spinco Group.

"Spinco Disclosure Documents" means any registration statement (including the Form 10) filed with the SEC in the name of any member of the Spinco Group as registrant, and any prospectus, offering memorandum, offering circular or similar disclosure document, whether or not filed with the SEC or any other Governmental Authority, that is prepared in connection with any such registration statement.

"Spinco Employees" means all Business Employees (as defined in the Employee Matters Agreement) and all Leased Employees (as defined in the Employee Leasing Agreement).

"Spinco Group" means Spinco and each of its direct and indirect Subsidiaries immediately following implementation of the Spinoff Plan.

"Stockholders Agreements" means the letters substantially in the forms attached hereto as Exhibits I-1 — I-3, to be entered into by and between Spinco and each of REP Investments LLC (and/or its affiliates), The Fairholme Fund (and/or its affiliates) and Pershing Square Capital Management, L.P. (and/or its affiliates) on or prior to the Plan Effective Date.

"Subleases" means the subleases substantially in the forms attached hereto as Exhibits J-1 — J-3, to be entered into by and between GGP (and/or a Subsidiary thereof) and Spinco (and/or a Subsidiary thereof) on or prior to the Plan Effective Date.

"Subsidiary" or "subsidiary" means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (i) beneficially

owns, either directly or indirectly, more than fifty percent (50%) of (A) the total combined voting power of all classes of voting securities of such Person, (B) the total combined equity interests or (C) the capital or profit interests, in the case of a partnership, or (ii) otherwise has the power to vote, either directly or indirectly, sufficient securities, or the contractual right, to elect a majority of the board of directors or similar governing body or the managing partner or managing member.

"Surety Bond Indemnity Agreement" means the Surety Bond Indemnity Agreement, in substantially the form attached hereto as Exhibit K, to be entered into by and between GGP and Spinco on or prior to the Plan Effective Date.

"Tax" has the meaning set forth in the Tax Matters Agreement.

"Tax Attributes" has the meaning set forth in the Tax Matters Agreement.

"Tax Matters Agreement" means the Tax Matters Agreement, in substantially the form attached hereto as Exhibit L, to be entered into by and between GGP and Spinco on or prior to the Plan Effective Date.

"Technology" means all technology, designs, formulae, algorithms, procedures, methods, discoveries, processes, techniques, ideas, know-how, research and development, technical data, tools, materials, specifications, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice) apparatus, creations, improvements, works of authorship in any media, confidential, proprietary or non-public information, and other similar materials, and all recordings, graphs, drawings, reports, analyses and other writings, and other tangible embodiments of the foregoing in any form whether or not listed herein, in each case, other than Software.

"Transaction Documents" means this Agreement, the Ancillary Documents, the Registration Rights Agreement, the Warrant and Registration Rights Agreement and the Stockholders Agreements.

"Transactions" means, collectively, (i) the Restructuring, (ii) the Distribution, and (iii) all other transactions contemplated by this Agreement or any other Transaction Document.

"Transition Services Agreement" means the Transition Services Agreement in substantially the form attached hereto as Exhibit M, to be entered into by and between GGP and Spinco, and/or any of their respective Subsidiaries, on or prior to the Plan Effective Date.

"Warrant and Registration Rights Agreement" means the Warrant and Registration Rights Agreement in substantially the form attached hereto as Exhibit N, to be entered into by and between Spinco and Mellon Investor Services LLC, as of the Effective Time.

1.2 Other Terms. For purposes of this Agreement, the following terms have the meanings set forth in the sections indicated.

Term	Section
Agreement	Preamble
Amended and Restated Bylaws	3.1(c)
Amended and Restated Certificate of Incorporation	3.1(c)
Assumed Actions	6.5(a)

Bankruptcy Cases	Recitals
Bankruptcy Closing	7.1(a)
Bankruptcy Court	Recitals
CPR	7.3(a)
CPR Arbitration Rules	7.3(a)
Dispute	7.1(b)
Distribution	Recitals
Excluded Assets	2.2(b)
Excluded Liabilities	2.3(b)
GGP	Preamble
GGP Accounts	2.8(a)
GGP Common Shares	Recitals
GGP Confidential Information	6.2(b)
GGP Indemnified Parties	5.2
Guarantee Release	5.10(b)
Indemnified Party	5.5(a)
Indemnifying Party	5.5(a)
Indemnity Payment	5.5(a)
Initial Notice	7.2
linked	2.8(a)
Non-Transferred Asset	2.5(a)
Non-Transferred Liability	2.5(a)
Plan	Recitals
Private Letter Ruling	Recitals
Released Party	2.6(a)
Representatives	6.2(a)
Response	7.2
Responsible Party	2.6(a)
Shared Information	6.2(c)
Special Damages	5.8
Spinco	Preamble
Spinco Accounts	2.8(a)
Spinco Assets	2.2(a)
Spinco Common Stock	Recitals
Spinco Confidential Information	6.2(a)
Spinco Indemnified Parties	5.3
Spinco Liabilities	2.3(a)
Spinoff Plan	2.1(a)
Third Party Claim	5.6(a)
Transfer Documents	2.1(b)
Transferee Party	2.5(a)

Term	**Section**
Transferor Party	2.5(a)
Transferred Actions	6.5(b)

ARTICLE II

THE RESTRUCTURING

2.1 Transfer of Assets; Assumption of Liabilities.

(a) Prior to the Distribution, in accordance with the plan and structure set forth on Schedule 2.1(a) (such plan and structure being referred to herein as the "Spinoff Plan") and to the extent not previously effected pursuant to the steps of the Spinoff Plan that have been completed prior to the date hereof:

(i) GGP shall, and shall cause its applicable Subsidiaries to, assign, transfer, convey and deliver to Spinco or certain of Spinco's Subsidiaries designated by Spinco, and Spinco or such Subsidiaries shall accept from GGP and its applicable Subsidiaries, all of GGP's and such Subsidiaries' respective direct or indirect right, title and interest in and to all Spinco Assets existing immediately prior to the Distribution in accordance with Schedule 2.1(a);

(ii) Spinco and certain of its Subsidiaries designated by Spinco shall accept, assume and agree faithfully to perform, discharge and fulfill all the Spinco Liabilities in accordance with their respective terms. Spinco and such Subsidiaries shall be responsible for all Spinco Liabilities, regardless of when or where such Spinco Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Plan Effective Date, regardless of where or against whom such Spinco Liabilities are asserted or determined (including any Spinco Liabilities arising out of claims made by GGP's or Spinco's respective directors, officers, employees, agents or Subsidiaries against any member of the GGP Group or the Spinco Group) or whether asserted or determined prior to the date hereof, and, except as set forth in Section 2.3(b)(iii), regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the GGP Group or the Spinco Group, or any of their respective directors, officers, employees, agents or Subsidiaries;

(iii) GGP shall cause its applicable Subsidiaries to assign, transfer, convey and deliver to certain of its other Subsidiaries designated by GGP, and such other Subsidiaries shall accept from such applicable Subsidiaries, such applicable Subsidiaries' respective right, title and interest in and to any Excluded Assets specified by GGP to be so assigned, transferred, conveyed and delivered, all as more fully set forth in the Spinoff Plan; and

(iv) GGP shall and shall cause GGP LP, as a Subsidiary of GGP, to accept and assume as designated by GGP, and agree faithfully to perform, discharge and fulfill certain Excluded Liabilities specified by GGP, and GGP and such Subsidiary shall be responsible for all Excluded Liabilities, regardless of when or where such Excluded Liabilities arose or arise, or whether the facts on which they are based occurred prior to or subsequent to the Plan Effective Date, regardless of where or against whom such Excluded Liabilities are

asserted or determined (including any such Excluded Liabilities arising out of claims made by GGP's or Spinco's respective directors, officers, employees, agents, Subsidiaries or Subsidiaries against any member of the GGP Group or the Spinco Group) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the GGP Group or the Spinco Group, or any of their respective directors, officers, employees, agents or Subsidiaries.

(b) In furtherance of the assignment, transfer, conveyance and delivery of the Assets and the assumption of the Liabilities in accordance with Section 2.1(a), on the date that such Assets are assigned, transferred, conveyed or delivered or such Liabilities are assumed (i) GGP and Spinco, as applicable, shall execute and deliver, and shall cause their respective Subsidiaries to execute and deliver, such bills of sale, quitclaim deeds, stock powers, certificates of title, assignments of partnership interests, assignments of Contracts and other instruments of transfer, conveyance and assignment as and to the extent reasonably necessary to evidence the transfer, conveyance and assignment of all right, title and interest in and to such Assets to the applicable transferee thereof provided in the Spinoff Plan, and (ii) GGP and Spinco shall execute and deliver, and shall cause their respective Subsidiaries to execute and deliver, such assumptions of Contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of such Liabilities by the applicable assignee thereof provided in the Spinoff Plan. All of the foregoing documents contemplated by this Section 2.1(b) shall be referred to collectively herein as the "Transfer Documents."

(c) Spinco hereby waives compliance by each and every member of the GGP Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the Spinco Assets to any member of the Spinco Group.

(d) GGP hereby waives compliance by each and every member of the Spinco Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the Excluded Assets to any member of the GGP Group.

2.2 Spinco Assets.

(a) For purposes of this Agreement, "Spinco Assets" shall mean (without duplication) the following Assets (except to the extent they constitute Excluded Assets):

(i) all Assets owned by any member of the Spinco Group immediately prior to the Effective Time, wherever such Assets may be located;

(ii) any cash and cash equivalents in the Spinco Accounts as of the Effective Time, subject to Section 2.8(g);

(iii) any cash proceeds received directly or indirectly by GGP in respect of any sales of real property in the Summerlin master planned community in Clark County, Nevada to the extent such sales are closed by GGP or any of its then current Subsidiaries during

the period beginning on September 7, 2010 and ending immediately prior to the Effective Time (net of any out-of-pocket costs, fees and expenses incurred in connection therewith);

(iv) all Spinco Contracts;

(v) subject to Section 6.3, any rights or claims of any member of the Spinco Group under any of the Insurance Policies, including any rights or claims thereunder arising after the Effective Time in respect of any Insurance Policies;

(vi) any and all Assets reflected as Assets of Spinco and its Subsidiaries in the Spinco Balance Sheet, subject to any dispositions of such Assets subsequent to the date of the Spinco Balance Sheet;

(vii) any and all other Assets that are expressly provided by this Agreement, the Plan, the Spinoff Plan or any other Transaction Document as Assets to be transferred to Spinco or any other member of the Spinco Group; and

(viii) any and all Assets, other than Intellectual Property, Software and Technology, owned or held immediately prior to the Effective Time by GGP or any of its Subsidiaries that are used exclusively in the Spinco Business (the intention of this clause (viii) is only to rectify any inadvertent omission of transfer or conveyance of any Assets that, had the parties given specific consideration to such Asset as of the date hereof, would have otherwise been classified as a Spinco Asset; no Asset shall be deemed to be a Spinco Asset solely as a result of this clause (viii) if such Asset is within the category or type of Asset expressly covered by the terms of another Transaction Document unless the party claiming entitlement to such Asset can establish that the omission of the transfer or conveyance of such Asset was inadvertent, and no Asset shall be deemed a Spinco Asset solely as a result of this clause (viii) unless a claim with respect thereto is made by Spinco on or prior to the second (2nd) anniversary of the Plan Effective Date).

(b) For the purposes of this Agreement, "Excluded Assets" shall mean (without duplication):

(i) the GGP Intellectual Property, GGP Software and the GGP Technology;

(ii) any cash and cash equivalents (other than cash and cash equivalents specified in Section 2.2(a)(ii) and Section 2.2(a)(iii));

(iii) any and all Assets that are expressly contemplated by this Agreement, the Plan, the Spinoff Plan or any other Transaction Document as Assets to be retained by GGP or any other member of the GGP Group;

(iv) any and all other Assets owned by any member of the GGP Group immediately prior to the Effective Time, wherever such Assets may be located (other than Spinco Assets); and

(v) any and all Assets owned or held immediately prior to the Effective Time by GGP or any of its Subsidiaries that are not used exclusively in the Spinco Business (the intention of this clause (v) is only to rectify any inadvertent transfer or conveyance of any Assets that, had the parties given specific consideration to such Asset as of the date hereof, would have otherwise been classified as an Excluded Asset; no Asset shall be deemed to be an Excluded Asset solely as a result of this clause (v) if such Asset is within the category or type of Asset expressly covered by the terms of another Transaction Document unless the party claiming entitlement to such Asset can establish that the transfer or conveyance of such Asset was inadvertent, and no Asset shall be deemed an Excluded Asset solely as a result of this clause (v) unless a claim with respect thereto is made by GGP on or prior to the second (2nd) anniversary of the Plan Effective Date).

2.3 Spinco Liabilities.

(a) For the purposes of this Agreement, "Spinco Liabilities" shall mean (without duplication) the following Liabilities (except to the extent they constitute Excluded Liabilities):

(i) any and all Liabilities of any member of the Spinco Group;

(ii) all Liabilities reflected as liabilities or obligations of Spinco or its Subsidiaries in the Spinco Balance Sheet, subject to any discharge of such Liabilities subsequent to the date of the Spinco Balance Sheet;

(iii) all other Liabilities that are expressly provided by this Agreement, the Plan, the Spinoff Plan or any other Transaction Document as Liabilities to be assumed by Spinco or any other member of the Spinco Group and all agreements or obligations of any member of the Spinco Group under this Agreement or any of the other Transaction Documents;

(iv) except as expressly provided in the Plan or this Agreement, all Liabilities to the extent relating to, arising out of or resulting from:

(A) the operation of the Spinco Business, as conducted at any time before, at or after the Effective Time (including any Liability relating to, arising out of or resulting from any act or omission by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person's authority));

(B) the operation of any business conducted by any member of the Spinco Group at any time before, at or after the Effective Time (including any Liability relating to, arising out of or resulting from any act or failure to act by any director, officer, employee, agent or representative (whether or not such act or failure to act is or was within such Person's authority));

(C) any Spinco Assets (including any Liability relating to, arising out of or resulting from any Spinco Contracts); and

(D) any Liability relating to the protection or restoration of, or prevention of harm to, the environment or natural resources, the protection of human and

occupational health and safety, or otherwise arising under Environmental Laws or relating to Hazardous Materials arising out of (i) the operation of the Spinco Business, as conducted at any time before, at or after, the Effective Time, (ii) any of the Spinco Assets, including any other businesses, operations or properties associated with the Spinco Assets (including any businesses, operations or properties for which a current or future owner or operator of the Spinco Assets or the Spinco Business may be alleged to be responsible as a matter of Law, contract or otherwise due to such ownership or operation of the Spinco Assets or Spinco Business), in any such case, whether arising before, at or after the Effective Time or (iii) the operation of any business conducted by any member of the Spinco Group at any time before, at or after the Effective Time; and

(v) all Liabilities arising out of any claim made by any Spinco Employee arising in the course of such employee's employment against any member of the GGP Group or the Spinco Group, regardless of whether such claim arises prior to or after the Effective Time.

(b) For the purposes of this Agreement, "Excluded Liabilities" shall mean (without duplication):

(i) any and all Liabilities that are expressly contemplated by this Agreement, the Plan, the Spinoff Plan or any other Transaction Document as Liabilities to be retained or assumed by GGP or any other member of the GGP Group, and all agreements and obligations of any member of the GGP Group under this Agreement or any of the other Transaction Documents;

(ii) any and all Liabilities of a member of the GGP Group to the extent relating to, arising out of or resulting from any Excluded Assets;

(iii) any and all liabilities arising from a knowing violation of Law, intentional fraud or intentional misrepresentation by any member of the GGP Group or any of their respective directors, officers, employees or agents (other than any individual who at the time of such act was acting in his or her capacity as a director, officer, employee or agent of any member of the Spinco Group or on behalf of the Spinco Business);

(iv) all Liabilities arising out of any claim made by any employee of any member of the GGP Group other than a Spinco Employee arising in the course of such employee's employment against any member of the GGP Group or the Spinco Group, regardless of whether such claim arises prior to or after the Effective Time; and

(v) any and all Liabilities of any members of the GGP Group that are not Spinco Liabilities.

2.4 Approvals and Notifications of Spinco Assets and Liabilities.

(a) If and to the extent that the valid, complete and perfected transfer or assignment to the Spinco Group of any Spinco Assets or assumption by the Spinco Group of any Spinco Liabilities would be a violation of applicable Law or require any Approvals or Notifications in connection with the Restructuring, or the Distribution, that has not been obtained

or made by the Effective Time then, unless the parties hereto mutually shall otherwise determine, the transfer or assignment to the Spinco Group of such Spinco Assets or the assumption by the Spinco Group of such Spinco Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approvals or Notifications have been obtained or made in accordance with this Section 2.4 hereof. Notwithstanding the foregoing, any such Spinco Assets or Spinco Liabilities shall continue to constitute Spinco Assets and Spinco Liabilities for all other purposes of this Agreement.

(b) If any transfer or assignment of any Spinco Asset or any assumption of any Spinco Liabilities intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Plan Effective Date, whether as a result of the provisions of Section 2.4(a) or for any other reason, then, insofar as reasonably possible, the member of the GGP Group retaining such Spinco Asset or such Spinco Liability, as the case may be, shall thereafter hold such Spinco Asset or Spinco Liability, as the case may be, for the use and benefit of the member of the Spinco Group entitled thereto (at the expense of the member of the Spinco Group entitled thereto). In addition, the member of the GGP Group retaining such Spinco Asset or such Spinco Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Spinco Asset or Spinco Liability in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested (pursuant to Section 2.5(b) and otherwise) by the member of the Spinco Group to whom such Spinco Asset is to be transferred or assigned, or which will assume such Spinco Liability, as the case may be, in order to place such member of the Spinco Group in a substantially similar position as if such Spinco Asset or Spinco Liability had been transferred, assigned or assumed as contemplated hereby and so that all the benefits and burdens relating to such Spinco Asset or Spinco Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such Spinco Asset or Spinco Liability, as the case may be, is to inure from and after the Effective Time to the Spinco Group.

(c) If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any Spinco Asset or the deferral of assumption of any Spinco Liability pursuant to Section 2.4(a), are obtained or made, and, if and when any other legal impediments for the transfer or assignment of any Spinco Asset or the assumption of any Spinco Liability have been removed, the transfer or assignment of the applicable Spinco Asset or the assumption of the applicable Spinco Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or the applicable Transaction Document.

(d) The reasonable out-of-pocket costs and expenses associated with any such transfers or assignments of Spinco Assets or assumption of Spinco Liabilities, including reasonable attorneys' fees and all recording or similar fees, shall be borne by GGP until the six month anniversary of the date of the Distribution, and thereafter by Spinco.(1)

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(1) Pursuant to an amendment to the Cornerstone Investment Agreement, a reserve amount of $1 million will be added to the GGO Note Amount (as defined in the Cornerstone Investment Agreement), and on the six month anniversary of the date of the Distribution the GGO Note Amount will be reduced to the extent such costs and expenses are less than $1 million (and further reduced for accrued interest thereon).

2.5 Transfer of Non-Transferred Assets; Assumption of Non-Transferred Liabilities.

(a) If at any time or from time to time following the Effective Time, any party hereto (or any member of such party's respective Group), shall receive or otherwise possess any Asset or Liability (including any Intellectual Property or Technology) that is allocated to any other Person pursuant to this Agreement or any other Transaction Document, such Person (or any member of such party's respective Group, the "Transferor Party") shall promptly transfer, or cause to be transferred, such Asset (each, a "Non-Transferred Asset") or Liability (each, a "Non-Transferred Liability"), as the case may be, to the Person (or any member of such party's respective Group, the "Transferee Party") entitled to such Non-Transferred Asset or responsible for such Non-Transferred Liability, as the case may be, and the Transferee Party entitled to such Non-Transferred Asset or responsible for such Non-Transferred Liability shall accept such Non-Transferred Asset or accept, assume and agree faithfully to perform, discharge such Non-Transferred Liability, as applicable.

(b) In furtherance of the assignment, transfer, conveyance and delivery of Non-Transferred Assets and the assumption of Non-Transferred Liabilities set forth in this Section 2.5, (i) the Transferor Party shall execute and deliver such bills of sale, quitclaim deeds, stock powers, certificates of title, assignments of contract and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of the Transferee Party's right, title and interest in and to the Non-Transferred Assets, and (ii) the Transferee Party shall execute and deliver such assumptions of contract and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the Non-Transferred Liabilities.

(c) To the extent that the transfer or assignment of any Non-Transferred Assets or the assumption of any Non-Transferred Liabilities requires any Approvals or Notifications, the parties shall use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in any of the other Transaction Documents, no member of the GGP Group or Spinco Group shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(d) If and to the extent that the valid, complete and perfected transfer or assignment to the Transferee Party of any Non-Transferred Assets or the assumption by the Transferee Party of any Non-Transferred Liabilities would be a violation of applicable Law or require any material Approval or Notification that has not been made or obtained on or before the Plan Effective Date, then, unless the parties hereto mutually shall otherwise determine, the transfer or assignment to the Transferee Party of such Non-Transferred Assets or the assumption by the Transferee Party of such Non-Transferred Liabilities shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approvals or Notifications have been obtained or made. Notwithstanding the foregoing, any such Non-Transferred Assets that are Excluded Assets or Non-Transferred Liabilities that are Excluded Liabilities shall continue to constitute Excluded Assets or Excluded Liabilities for all other purposes of this Agreement, and any such Non-Transferred Assets that are Spinco Assets or Non-Transferred Liabilities that are Spinco Liabilities shall continue to constitute Spinco Assets or Spinco Liabilities for all other purposes of this Agreement.

(e) If any transfer or assignment of any Non-Transferred Asset under this Section 2.5, is not consummated on or prior to the Plan Effective Date, whether as a result of the provisions of Section 2.5(d) or for any other reason, then, insofar as reasonably possible, the Transferor Party retaining such Non-Transferred Asset, shall thereafter hold such Non-Transferred Asset for the use and benefit of the Transferee Party entitled thereto (at the expense of the member of the Transferee Party entitled thereto). In addition, the Transferor Party retaining such Non-Transferred Asset shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Non-Transferred Asset in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the Transferee Party to whom such Non-Transferred Asset is to be transferred or assigned, in order to place such Transferee Party in a substantially similar position as if such Non-Transferred Asset had been transferred as contemplated hereby and so that all the benefits and burdens relating to such Non-Transferred Asset, including use, risk of loss, potential for gain, and dominion, control and command over such Non-Transferred Asset, is to inure from and after the Effective Time to the Transferee Party.

(f) If and when the Approvals or Notifications, the absence of which caused the deferral of transfer or assignment of any Non-Transferred Asset or the deferral of assumption of any Non-Transferred Liability, are obtained or made, and, if and when any other legal impediments for the transfer or assignment of any Non-Transferred Assets or the assumption of any Non-Transferred Liabilities have been removed, the transfer or assignment of the applicable Non-Transferred Asset or the assumption of the applicable Non-Transferred Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or the applicable Transaction Document.

(g) The reasonable out-of-pocket costs and expenses associated with any such transfers or assignments of Non-Transferred Assets or assumption of Non-Transferred Liabilities, including reasonable attorneys' fees and all recording or similar fees, shall be borne by the party that would have been responsible for such costs and expenses if the transfer, assignment or assumption had occurred at or prior to the Effective Time.

2.6 Novation of Liabilities.

(a) Each of GGP and Spinco, at the request of the other, shall use its commercially reasonable efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign all obligations under agreements, leases, licenses and other obligations or Liabilities that constitute Excluded Liabilities or Spinco Liabilities, as applicable, or to obtain in writing the unconditional release of all parties to such arrangements other than any member of the GGP Group or the Spinco Group, as applicable (the "Released Party"), so that, in any such case, the members of the GGP Group or the Spinco Group, as applicable (the "Responsible Party") will be solely responsible for such Liabilities; provided, however, that, except as otherwise expressly provided in any of the other Transaction Documents, neither GGP nor Spinco shall be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any third Person from whom any such consent, substitution, approval, amendment or release is requested.

(b) If the Released Party is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release, the Released Party shall continue to be bound by such agreement, lease, license or other obligation or Liability and, unless not permitted by the terms thereof or by Law, the Responsible Party shall, as agent or subcontractor for the Released Party, pay, perform and discharge fully all the obligations or other Liabilities of the Released Party thereunder from and after the Effective Time. The Responsible Party shall indemnify the Released Party and any other members of its respective Group and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing and hold each of them harmless against any Liabilities arising in connection therewith; provided, that pursuant hereto the Responsible Party shall have no obligation to indemnify any Person that has engaged in any knowing violation of Law, fraud or misrepresentation in connection therewith. The Released Party shall cause each member of its respective Group, without further consideration, to pay and remit, or cause to be paid or remitted, to the Responsible Party or its designee promptly all money, rights and other consideration received by it or any member of its respective Group in respect of the document, agreement, Contract, obligation or Liability that gave rise to such performance (unless any such consideration is an Asset expressly allocated to the Released Party pursuant to this Agreement). If and when any such consent, substitution, approval, amendment or release shall be obtained or the obligations under such agreement, lease, license or other obligations or Liabilities shall otherwise become assignable or able to be novated, the Released Party shall promptly assign, or cause to be assigned, all its obligations and other Liabilities thereunder or any obligations of any member of its respective Group without payment of further consideration and the Responsible Party, without the payment of any further consideration, shall, or shall cause another member of its respective Group to, assume such obligations.

2.7 Termination of Agreements and Arrangements.

(a) Except as set forth in Section 2.7(b), in furtherance of the releases and other provisions of Section 5.1, Spinco and each member of the Spinco Group, on the one hand, and GGP and each member of the GGP Group, on the other hand, hereby terminate, effective as of the Effective Time, any and all agreements, arrangements, commitments or understandings, whether or not in writing, solely between or among Spinco and/or any member of the Spinco Group, on the one hand, and GGP and/or any member of the GGP Group, on the other hand, effective as of the Effective Time; provided, however, to the extent that termination of any such agreement, arrangement, commitment or understanding is inconsistent with any other Transaction Document, such termination shall be determined pursuant to the applicable Transaction Document. Notwithstanding the foregoing, the Groups shall settle all intercompany receivables and payables as of the Effective Time, and after the Effective Time neither Group shall owe any further amounts to the other Group in respect of such intercompany receivables and payables. No such terminated agreement, arrangement, commitment or understanding (including any provision thereof which purports to survive termination) shall be of any further force or effect after the Effective Time (or, to the extent contemplated by the proviso to the immediately preceding sentence, after the effective date of the applicable Transaction Document). Each party shall, at the reasonable request of any other party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.7(a) shall not apply to any of the following agreements, arrangements, commitments or understandings (or to any of the provisions thereof):

(i) this Agreement and the other Transaction Documents (and each other agreement or instrument expressly contemplated by this Agreement or any other Transaction Document to be entered into or continued by any of the parties hereto or any of the members of their respective Groups);

(ii) any agreements, arrangements, commitments or understandings to which any Person other than the parties hereto and their respective wholly-owned Subsidiaries is a party (it being understood that (A) directors' qualifying shares, preferred or similar interests or shares issued by entities issuing such shares to satisfy REIT qualification requirements or the Code, will be disregarded for purposes of determining whether a Subsidiary is wholly owned and (B) to the extent that the rights and obligations of the parties and the members of their respective Groups under any such agreements, arrangements, commitments or understandings constitute Spinco Assets or Spinco Liabilities, they shall be assigned pursuant to Section 2.1); and

(iii) any other agreements, arrangements, commitments or understandings that this Agreement, the Plan, the Spinoff Plan or any other Transaction Document expressly contemplates will survive the Plan Effective Date.

2.8 Bank Accounts; Cash Balances.

Except as may be set forth in the Transition Services Agreement:

(a) GGP and Spinco each agrees to take, or cause the respective members of their respective Groups to take, to be effective at the Effective Time (or such earlier time as GGP and Spinco may agree), all actions necessary to amend all Spinco Contracts governing each bank and brokerage account owned by Spinco or any other member of the Spinco Group (collectively, the "Spinco Accounts"), so that such Spinco Accounts, if currently linked (whether by automatic withdrawal, automatic deposit or any other authorization to transfer funds from or to, hereinafter "linked") to any bank or brokerage account owned by GGP or any other member of the GGP Group (collectively, the "GGP Accounts"), are de-linked from the GGP Accounts effective on the Effective Date.

(b) GGP and Spinco each agrees to take, or cause the respective members of their respective Groups to take, to be effective at the Effective Time (or such earlier time as GGP and Spinco may agree), all actions necessary to amend all Spinco Contracts governing the GGP Accounts so that such GGP Accounts, if currently linked to a Spinco Account, are de-linked from the Spinco Accounts.

(c) It is intended that, following consummation of the actions contemplated by Sections 2.8(a) and 2.8(b), there will continue to be in place a centralized cash management process pursuant to which the Spinco Accounts will be managed centrally and funds collected will be transferred into one (1) or more centralized accounts maintained by Spinco.

(d) It is intended that, following consummation of the actions contemplated by Sections 2.8(a) and 2.8(b), there will continue to be in place a centralized cash management process pursuant to which the GGP Accounts will be managed centrally and funds collected will be transferred into one (1) or more centralized accounts maintained by GGP.

(e) With respect to any outstanding checks issued by GGP, Spinco, or any of their respective Subsidiaries prior to the Effective Time, such outstanding checks shall be honored following the Effective Time by the Person or Group owning the account on which the check is drawn with prompt reimbursement from the Person or Group that issued such check, if applicable, in each case subject to the express provisions in the Plan or the Investment Agreements regarding payment of claims.

(f) As between GGP and Spinco (and the members of their respective Groups) all payments and reimbursements received after the Effective Time by either party (or member of its Group) in the ordinary course of business that relate to a business, Asset or Liability of the other party (or member of its Group), shall be held by such party in trust for the use and benefit of the party entitled thereto and, promptly upon receipt by such party of any such payment or reimbursement, such party shall pay over, or shall cause the applicable member of its Group to pay over to the other party the amount of such payment or reimbursement without right of set-off.

(g) Each of GGP and Spinco agrees that, prior to the Effective Time, GGP or any other member of the GGP Group may withdraw any and all cash or cash equivalents (other than the cash proceeds specified in Section 2.2(a)(iii)) from the Spinco Accounts for the benefit of GGP or any other member of the GGP Group; provided, however, that neither GGP nor any other member of the GGP Group shall be entitled to withdraw any cash or cash equivalents from any Spinco Account if, and to the extent that, the amount of such cash or cash equivalents is necessary to cover any checks or wires made from or against (or to be made from or against) a Spinco Account as of, or prior to, the Effective Time and which has not been paid or withdrawn as of the Effective Time.

2.9 Disclaimer of Representations and Warranties. EACH OF GGP (ON BEHALF OF ITSELF AND EACH MEMBER OF THE GGP GROUP) AND SPINCO (ON BEHALF OF ITSELF AND EACH MEMBER OF THE SPINCO GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY OTHER TRANSACTION DOCUMENT, NO PARTY TO THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT, OR OTHERWISE, IS REPRESENTING OR WARRANTING TO ANY OTHER PARTY HERETO OR THERETO IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, AS TO ANY APPROVALS OR NOTIFICATIONS REQUIRED IN CONNECTION HEREWITH OR THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR

FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY ACTION OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY

ASSIGNMENT, DOCUMENT, CERTIFICATE OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH IN THIS AGREEMENT OR IN ANY TRANSACTION DOCUMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, BY MEANS OF A QUITCLAIM OR SIMILAR FORM DEED OR CONVEYANCE) AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE SHALL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (II) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH.

ARTICLE III

THE DISTRIBUTION

3.1 Actions on or Prior to the Plan Effective Date. Prior to the Distribution, the following shall occur:

(a) *Listing*. Spinco shall prepare, file and pursue an application to permit listing of the Spinco Common Stock on the New York Stock Exchange.

(b) *Bankruptcy*. The Bankruptcy Court shall have entered an order confirming the Plan and there shall not be a stay or injunction (or similar prohibition) in effect with respect to such order.

(c) *Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws*. (i) GGP and Spinco shall each take all necessary action that may be required to provide for the adoption by Spinco of the Amended and Restated Certificate of Incorporation of Spinco in substantially the form attached to the Plan (the "Amended and Restated Certificate of Incorporation"), and the Amended and Restated Bylaws of Spinco in substantially the form attached to the Plan (the "Amended and Restated Bylaws") and (ii) Spinco shall file the Amended and Restated Certificate of Incorporation of Spinco with the Secretary of State of the State of Delaware.

(d) *The Distribution Agent*. GGP shall enter into a distribution agent agreement with the Distribution Agent or otherwise provide instructions to the Distribution Agent regarding the Distribution.

(e) *Stock-Based Employee Benefit Plans*. At or prior to the Effective Time, GGP and Spinco shall take all actions as may be necessary to approve the stock-based employee benefit plans of Spinco in order to satisfy the requirements of Rule 16b-3 under the Exchange Act and the applicable rules and regulations of the New York Stock Exchange.

3.2 Conditions Precedent to Distribution. In no event shall the Distribution occur unless each of the following conditions shall have been satisfied (or waived by GGP, in whole or in part, in its sole discretion):

(a) the Restructuring shall have been completed in accordance with the Plan;

(b) the Plan Effective Date shall have occurred;

(c) the Private Letter Ruling shall have been received and shall not have been revoked or modified in any material respect;

(d) the Form 10 filed with the SEC shall have been declared effective by the SEC, no stop order suspending the effectiveness of the Form 10 shall be in effect, no proceedings for such purpose shall be pending before or threatened by the SEC;

(e) the Spinco Common Stock to be delivered in the Distribution shall have been approved for listing on the New York Stock Exchange, subject to official notice of issuance;

(f) each of the other Transaction Documents shall have been duly executed and delivered by the parties thereto;

(g) no order, injunction or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing consummation of the Distribution or any of the transactions related thereto, including the Restructuring, shall be in effect;

(h) prior to the Distribution, all of GGP's representatives or designees shall have resigned or been removed as officers from all members of the Spinco Group, and all of Spinco's representatives or designees shall have resigned or been removed as officers from all members of the GGP Group;

(i) the designees of REP Investments LLC (or its affiliates) and Pershing Square Capital Management, L.P. (or its affiliates), as set forth in the Cornerstone Investment Agreement and the Pershing Investment Agreement, shall have been appointed to the to the board of directors of Spinco; and

(j) no event or development shall have occurred or exist that, in the judgment of the board of directors of GGP, in its sole discretion, makes it inadvisable to effect the Restructuring, the Distribution or the other transactions contemplated hereby.

Each of the foregoing conditions is for the sole benefit of GGP and shall not give rise to or create any duty on the part of GGP or its board of directors to waive or not to waive any such condition or to effect the Restructuring and the Distribution, or in any way limit GGP's rights of termination set forth in this Agreement. Any determination made by GGP prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 3.2 shall be conclusive and binding on the parties.

3.3 The Distribution.

(a) Subject to the terms and conditions set forth in this Agreement and the Plan, (i) on or prior to the Plan Effective Date, GGP shall deliver to the Distribution Agent for the benefit of holders of record of GGP Common Shares on the Record Date, book-entry transfer

authorizations for such number of the issued and outstanding shares of Spinco Common Stock necessary to effect the Distribution, (ii) the Distribution shall be effective at the Effective Time and (iii) GGP shall instruct the Distribution Agent to distribute, on or as soon as practicable after the Effective Time, to each holder of record of GGP Common Shares as of the Record Date, by means of a pro rata distribution, 0.0983 shares of Spinco Common Stock for every one (1) GGP Common Share; provided, however, that no fractional shares shall be issued. Following the Plan Effective Date, Spinco agrees to provide all book-entry transfer authorizations for shares of Spinco Common Stock that GGP or the Distribution Agent shall require (after giving effect to Section 3.4) in order to effect the Distribution.

(b) Notwithstanding anything to the contrary contained in this Agreement, GGP shall, in its sole and absolute discretion, determine the Plan Effective Date and all terms of the Distribution, including the form, structure and terms of any transactions and/or offerings to effect the Distribution and the timing of and conditions to the consummation thereof. In addition, GGP may at any time and from time to time until the completion of the Distribution decide to abandon the Distribution or modify or change the terms of the Distribution, including by accelerating or delaying the timing of the consummation of all or part of the Distribution.

(c) The parties agree that this Agreement constitutes a “plan of reorganization” within the meaning of Treasury Regulation Section 1.368-2(g).

(d) The parties agree that the steps of the Spinoff Plan shall be effected in the order and manner prescribed in the Spinoff Plan and the occurrence of each step shall be conditioned upon the completion of the preceding step.

3.4 GGP Authorization of Agreement. GGP has all requisite power, authority and legal capacity to execute and deliver this Agreement and each other Transaction Document to be executed by GGP in connection with the consummation of Distribution, and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and each of the Transaction Documents, and the consummation of the transactions contemplated hereby and thereby, have been duly authorized and approved by all required action on the part of GGP. This Agreement has been, and each of the Transaction Documents will be at or prior to the Closing, duly and validly executed and delivered by GGP and (assuming due authorization, execution and delivery by Spinco) this Agreement constitutes, and each of the Transaction Documents when so executed and delivered will constitute, legal, valid and binding obligations of GGP, enforceable against GGP in accordance with its terms.

ARTICLE IV

ACCESS TO INFORMATION

4.1 Agreement for Exchange of Information; Archives.

(a) After the Effective Time (or such earlier time as the parties may agree) and until the fifth (5th) anniversary of the date of this Agreement, each of GGP and Spinco, on behalf of its respective Group, agrees to provide, or cause to be provided, to the other Group, as soon as reasonably practicable after written request therefor, any Information in the possession or

under the control of such respective Group which the requesting party reasonably needs (i) to comply with reporting, disclosure, filing or other requirements imposed on the requesting party (including under applicable securities Laws) by a Governmental Authority having jurisdiction over the requesting party, (ii) to carry out its human resources functions or to establish, assume or administer its benefit plans or payroll functions, (iii) in order to satisfy audit, accounting or other similar requirements (except as otherwise provided in Section 4.1(d)), or (iv) to comply with its obligations under this Agreement or any other Transaction Document; provided, however, that in the event that any party determines that any such provision of Information could be commercially detrimental, violate any Law or agreement, or waive any attorney-client privilege, the parties shall take all reasonable measures to permit the compliance with such obligations in a manner that avoids any such harm or consequence.

(b) After the Effective Time (or such earlier time as the parties may agree) and until the fifth (5th) anniversary of the date of this Agreement, (i) Spinco and its authorized accountants, counsel and other designated representatives shall have access during regular business hours (as in effect from time to time) to the documents and objects of historic significance that relate to the Spinco Business that are located in archives retained or maintained by any member of the GGP Group, and (ii) Spinco may obtain copies (but not originals unless it is a Spinco Asset) of documents for bona fide business purposes and may obtain objects for exhibition purposes for commercially reasonable periods of time if required for such bona fide business purposes; provided, that Spinco shall cause any such objects to be returned promptly in the same condition in which they were delivered to Spinco and Spinco shall comply with any rules, procedures or other requirements, and shall be subject to any restrictions (including prohibitions on removal of specified objects), that are then applicable to GGP; provided, further, that, notwithstanding any provisions of this Section 4.1(b), any request for Information or access to Representatives in connection with any Third Party Claims shall be subject to Section 4.7. Nothing herein shall be deemed to restrict the access of any member of the GGP Group to any such documents or objects or to impose any liability on any member of the GGP Group if any such documents or objects are not maintained or preserved by GGP.

(c) After the Effective Time (or such earlier time as the parties may agree) and until the fifth (5th) anniversary of the date of this Agreement, (i) GGP and its authorized accountants, counsel and other designated representatives shall have access during regular business hours (as in effect from time to time) to the documents and objects of historic significance that relate to the GGP Business that are located in archives retained or maintained by any member of the Spinco Group and (ii) GGP may obtain copies (but not originals unless it is not a Spinco Asset) of documents for bona fide business purposes and may obtain objects for exhibition purposes for commercially reasonable periods of time if required for such bona fide business purposes; provided, that GGP shall cause any such objects to be returned promptly in the same condition in which they were delivered to GGP and GGP shall comply with any rules, procedures or other requirements, and shall be subject to any restrictions (including prohibitions on removal of specified objects), that are then applicable to Spinco; provided, further, that, notwithstanding any provisions of this Section 4.1(c), any request for Information or access to Representatives in connection with any Third Party Claims shall be subject to Section 4.7. Nothing herein shall be deemed to restrict the access of any member of the Spinco Group to any such documents or objects or to impose any liability on any member of the Spinco Group if any such documents or objects are not maintained or preserved by Spinco.

(d) Without limiting the generality of the foregoing, until the second (2nd) Spinco fiscal year end occurring after the Effective Time (and for a reasonable period of time afterwards as required for each of GGP and Spinco to prepare consolidated financial statements or complete a financial statement audit for the fiscal year during which the Plan Effective Date occurs), each of GGP and Spinco shall use its commercially reasonable efforts to cooperate with the other party's Information requests to enable (i) the other party to meet its timetable for dissemination of its earnings releases, financial statements and management's assessment of the effectiveness of its disclosure controls and procedures and its internal control over financial reporting in accordance with Items 307 and 308, respectively, of Regulation S-K, and (ii) the other party's accountants to timely complete their review of the quarterly financial statements and audit of the annual financial statements, including, to the extent applicable to such party, its auditor's audit of its internal control over financial reporting and management's assessment thereof in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 and the SEC's and Public Company Accounting Oversight Board's rules and auditing standards thereunder.

4.2 Ownership of Information. Any Information owned by one Group that is provided to a requesting party pursuant to Section 4.1 shall be deemed to remain the property of the providing party, except where such Information is an Asset of the requesting party pursuant to the provisions of this Agreement or any other Transaction Document. Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any Information requested or provided pursuant to Section 4.1.

4.3 Compensation for Providing Information. The party requesting Information agrees to reimburse the other party for the reasonable out-of-pocket costs and expenses, if any, of creating, gathering and copying such Information (including any costs and expenses incurred in any review of Information for purposes of protecting the privileged Information of the providing party or in connection with the restoration of backup tapes for purposes of providing the requested Information), to the extent that such costs are incurred in connection with such other party's provision of Information in response to the requesting party.

4.4 Record Retention.

(a) To facilitate the possible exchange of Information pursuant to this Article IV and other provisions of this Agreement after the Effective Time, the parties agree to use their commercially reasonable efforts to retain all Information in their respective possession or control in accordance with the policies or ordinary course practices of GGP or Spinco, as applicable, in effect on the Plan Effective Date (including any Information that is subject to a "Litigation Hold" issued by either party prior to the Plan Effective Date) or such other policies or practices as may be reasonably adopted by the appropriate party after the Effective Time.

(b) Except in accordance with its, or its applicable Subsidiaries', policies and ordinary course practices, no party will destroy, or permit any of its Subsidiaries to destroy, any Information that would, in accordance with such policies or ordinary course practices, be archived or otherwise filed in a centralized filing system by such party or its applicable Subsidiaries; provided, however, that (i) in the case of any Information relating to employee benefits, no party will destroy, or permit any of its Subsidiaries to destroy, any such Information until the expiration of the applicable statute of limitations (giving effect to any extensions

thereof), (ii) in the case of any Information relating to a pending or threatened Action (including any pending or threatened investigation by a Governmental Authority) that is known to the members of the Group in possession of such Information, the parties shall comply with the requirements of the applicable "Litigation Hold" (provided, that, with respect to any pending or threatened Action arising after the Plan Effective Date, the requirements of this clause (ii) shall apply only to the extent that whichever member of the GGP Group or the Spinco Group that is in possession of such Information has been notified in writing pursuant to a "Litigation Hold" by the other party of such pending or threatened Action) and (iii) no party will destroy, or permit any of its Subsidiaries to destroy, any Information required to be retained by applicable Law.

(c) In the event of either party's or any of its Subsidiaries' inadvertent failure to comply with its applicable document retention policies as required under this Section 4.4, such party shall be liable to the other party solely for the amount of any monetary fines or penalties imposed or levied against such other party by a Governmental Authority (which fines or penalties shall not include any Liabilities asserted in connection with the claims underlying the applicable Action, other than fines or penalties resulting from any claim of spoliation) as a result of such other party's inability to produce Information caused by such inadvertent failure and, notwithstanding Sections 5.2 and 5.3, shall not be liable to such other party for any other Liabilities.

4.5 Liability. No party shall have any liability to any other party in the event that any Information exchanged or provided pursuant to this Agreement which is an estimate or forecast, or which is based on an estimate or forecast, is found to be inaccurate in the absence of willful misconduct by the party providing such Information.

4.6 Other Agreements Providing for Exchange of Information.

(a) The rights and obligations granted under this Article IV are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of Information set forth in any other Transaction Document.

(b) Any party that receives, pursuant to a request for Information in accordance with this Article IV, Information that is not relevant to its request shall (i) either destroy such Information or return it to the providing party and (ii) deliver to the providing party a certificate certifying that such Information was destroyed or returned, as the case may be, which certificate shall be signed by an officer of the requesting party holding the title of vice president or above.

(c) When any Information provided by one Group to the other (other than Information provided pursuant to Section 4.4) is no longer needed for the purposes contemplated by this Agreement or any other Transaction Document and is no longer required to be retained by applicable Law, the receiving party will promptly after request of the other party either return to the other party all Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other party that it has destroyed such Information (and such copies thereof and such notes, extracts or summaries based thereon).

(d) The parties agree to comply with the requirements of the Health Insurance Portability and Accountability Act of 1996, as amended, in connection with the sharing of Information pursuant to this Article IV, including by entering into any business associate agreements that may be required for such compliance.

4.7 Production of Witnesses; Records; Cooperation.

(a) After the Effective Time (or such earlier time as the parties may agree), except in the case of an adversarial Action by one party against another party, each party hereto shall use its commercially reasonable efforts to make available to each other party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action or IP Application in which the requesting party may from time to time be involved, regardless of whether such Action or IP Application is a matter with respect to which indemnification may be sought hereunder. The requesting party shall bear all out-of-pocket costs and expenses in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third Party Claim, the Indemnified Party shall use commercially reasonable efforts to make available to such Indemnifying Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such persons (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense, settlement or compromise, or the prosecution, evaluation or pursuit thereof, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be. The Indemnifying Party shall bear all out-of-pocket costs and expenses in connection therewith.

(c) In furtherance and without limiting the provisions of Sections 4.7(a) and (b), the parties shall cooperate and consult to the extent reasonably necessary with respect to (i) any Third Party Claims and (ii) any written request for access to Information or Representatives of the other party and members of such other party's Group in connection with any Third Party Claim; provided that such request shall sufficiently identify the applicable custodian of the requested Information and, to the extent known to the requesting party, the date of, or any applicable time periods relating to, the requested Information and any other descriptions necessary to sufficiently identify the requested Information.

(d) Without limiting any provision of this Section 4.7, each of the parties agrees to reasonably cooperate, and to cause each member of its respective Group to reasonably cooperate, with each other in the defense of any infringement, misappropriation or similar claim with respect to any Intellectual Property and shall not claim to acknowledge, or permit any member of its respective Group to claim to acknowledge, the validity, enforceability or

misappropriation of any Intellectual Property of a third Person in a manner that would hamper or undermine the defense of such infringement, misappropriation or similar claim except as required by Law.

(e) The obligation of the parties to provide witnesses pursuant to this Section 4.7 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses inventors and other officers without regard to whether the witness or the employer of the witness could assert a possible business conflict (subject to the exception set forth in the first (1st) sentence of Section 4.7(a)).

(f) In connection with any matter contemplated by this Section 4.7, the parties will enter into a mutually acceptable joint defense agreement so as to maintain to the extent practicable any applicable attorney-client privilege, work product immunity or other applicable privileges or immunities of any member of any Group.

(g) For the avoidance of doubt, the provisions of this Section 4.7 are in furtherance of the provisions of Section 4.1 and shall not be deemed to in any way limit or otherwise modify the parties' rights and obligations under Section 4.1.

4.8 Privileged Matters.

(a) The parties recognize that legal and other professional services that have been and will be provided prior to the Effective Time have been and will be rendered for the collective benefit of each of the members of the GGP Group and the Spinco Group, and that each of the members of the GGP Group and the Spinco Group should be deemed to be the client with respect to such services for the purposes of asserting all privileges which may be asserted under applicable Law in connection therewith. The parties recognize that legal and other professional services will be provided following the Effective Time, which services will be rendered solely for the benefit of the GGP Group or the Spinco Group, as the case may be.

(b) The parties agree as follows:

(i) GGP shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates solely to the GGP Business and not to the Spinco Business, whether or not the privileged Information is in the possession or under the control of any member of the GGP Group or any member of the Spinco Group. GGP shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates solely to any Excluded Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the privileged Information is in the possession or under the control of any member of the GGP Group or any member of the Spinco Group; and

(ii) Spinco shall be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates solely to the Spinco Business and not to the GGP Business, whether or not the privileged Information is in the possession or under the control of any member of the Spinco Group or any member of the GGP Group. Spinco shall also be entitled, in perpetuity, to control the assertion or waiver of all privileges in connection with any privileged Information that relates solely to any Spinco

Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the privileged Information is in the possession or under the control of any member of the Spinco Group or any member of the GGP Group.

(c) Subject to the restrictions set forth in this Section 4.8, the parties agree that they shall have a shared privilege, each with equal right to assert any such shared privilege, with respect to all privileges not allocated pursuant to Section 4.8(b) and all privileges relating to any Actions or other matters that involve both the GGP Group and the Spinco Group and in respect of which both parties have Liabilities under this Agreement.

(d) Subject to Sections 4.8(e) and (f), no party may waive any privilege that could be asserted under any applicable Law, and in which the other party has a shared privilege, without the consent of the other party, which consent shall (i) not be unreasonably withheld, conditioned or delayed, (ii) be in writing and (iii) be deemed to be granted unless written objection is made within twenty (20) days after notice has been given to the other party requesting such consent.

(e) In the event of any Actions between GGP and Spinco, or any members of their respective Groups, either party may waive a privilege in which the other party or member of such other party's Group has a shared privilege, without obtaining consent pursuant to Section 4.8(d); provided, that such waiver of a shared privilege shall be effective only as to the use of Information with respect to the Action between the parties and/or the applicable members of their respective Groups, and shall not operate as a waiver of the shared privilege with respect to any third Person.

(f) If any dispute arises between GGP and Spinco, or any members of their respective Groups, regarding whether a privilege should be waived to protect or advance the interests of either the GGP Group or the Spinco Group, each party agrees that it shall (i) negotiate with the other party in good faith, (ii) endeavor to minimize any prejudice to the rights of the other party and (iii) not unreasonably withhold, condition or delay consent to any request for waiver by the other party. Further, each party specifically agrees that it will not withhold its consent to the waiver of a privilege for any purpose except to protect its own legitimate interests.

(g) Upon receipt by either party, or by any member of its respective Group, of any subpoena, discovery or other request that may reasonably be expected to result in the production or disclosure of Information subject to a shared privilege or as to which another party has the sole right hereunder to assert a privilege, or if either party obtains knowledge that any of its, or any member of its respective Group's, current or former directors, officers, agents or employees have received any subpoena, discovery or other requests that may reasonably be expected to result in the production or disclosure of such privileged Information, such party shall promptly notify the other party of the existence of the request (which notice shall be delivered to such other party no later than five (5) business days following the receipt of any such subpoena, discovery or other request) and shall provide the other party a reasonable opportunity to review the Information and to assert any rights it or they may have under this Section 4.8 or otherwise to prevent the production or disclosure of such privileged Information.

(h) The transfer of all Information pursuant to this Agreement is made in reliance on the agreement of GGP and Spinco set forth in this Section 4.8 and in Section 6.2 to maintain the confidentiality of privileged Information and to assert and maintain all applicable privileges. The parties agree that their respective rights to any access to Information, witnesses and other Persons, the furnishing of notices and documents and other cooperative efforts between the parties contemplated by this Agreement, and the transfer of privileged Information between the parties and members of their respective Groups pursuant to this Agreement, shall not be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise.

(i) In furtherance of the parties' agreement under this Section 4.8, GGP and Spinco shall, and shall cause applicable members of their respective Group to, maintain their respective separate and joint privileges, including by executing joint defense and common interest agreements where necessary or useful for this purpose.

ARTICLE V

RELEASE; INDEMNIFICATION; AND GUARANTEES

5.1 Release of Pre-Distribution Claims.

(a) Except as provided in (i) Section 5.1(c), (ii) any exceptions to the indemnification provisions of Sections 5.2, 5.3 and 5.4, and (iii) any other Transaction Document, effective as of the Effective Time, Spinco does hereby, for itself and each other member of the Spinco Group, their respective Subsidiaries, successors and assigns, and all Persons who at any time prior to the Effective Time have been directors, officers, agents or employees of any member of the Spinco Group (in each case, in their respective capacities as such), remise, release and forever discharge GGP and the other members of the GGP Group, their respective Subsidiaries, successors and assigns, and all Persons who at any time prior to the Effective Time have been stockholders, equityholders, directors, officers, agents or employees of any member of the GGP Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any Contract or agreement, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Plan Effective Date, including in connection with the Bankruptcy Cases, the Plan, the transactions and all other activities to implement the Restructuring, the Distribution and any of the other transactions contemplated hereunder and under the other Transaction Documents.

(b) Except as provided in (i) Section 5.1(c), (ii) any exceptions to the indemnification provisions of Sections 5.2, 5.3 and 5.4, and (iii) any other Transaction Document, effective as of the Plan Effective Date, GGP does hereby, for itself and each other member of the GGP Group, their respective Subsidiaries, successors and assigns, and all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the GGP Group (in each case, in their respective capacities as such), remise, release and forever discharge Spinco, the respective members of the Spinco

Group, their respective Subsidiaries, successors and assigns, and all Persons who at any time prior to the Effective Time have been directors, officers, agents or employees of any member of the Spinco Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any Contract or agreement, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Plan Effective Date, including in connection with the Bankruptcy Cases, the Plan, the transactions and all other activities to implement the Restructuring, the Distribution and any of the other transactions contemplated hereunder and under the other Transaction Documents.

(c) Nothing contained in Section 5.1(a) or Section 5.1(b) shall impair any right of any party to enforce this Agreement, or any other Transaction Document, in accordance with its terms. Nothing contained in Section 5.1(a) or Section 5.1(b) shall release any Person from:

(i) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any other Transaction Document;

(ii) any Liability for the sale, lease, construction or receipt of goods, property or services purchased, obtained or used in the ordinary course of business by a member of one Group from a member of the other Group prior to the Effective Time;

(iii) any Liability that the parties may have with respect to indemnification or contribution pursuant to this Agreement or otherwise for claims brought against the parties by third Persons, which Liability shall be governed by the provisions of this Article V and, if applicable, the appropriate provisions of the other Transaction Documents; or

(iv) as to the GGP Group, any Liability expressly provided for in the Plan.

In addition, nothing contained in Section 5.1(a) shall release GGP from indemnifying any director, officer or employee of Spinco who was a director, officer or employee of GGP or any of its Subsidiaries on or prior to the Effective Time, to the extent such director, officer or employee is or becomes a named defendant in any Action with respect to which he or she was entitled to such indemnification pursuant to then existing obligations, it being understood that if the underlying obligation giving rise to such Action is a Spinco Liability, Spinco shall indemnify GGP for such Liability (including GGP's costs to indemnify the director, officer or employee) in accordance with the provisions set forth in this Article V.

(d) Spinco shall not make, and shall not permit any member of the Spinco Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against GGP or any member of the GGP Group, or any other Person released pursuant to Section 5.1(a), with respect to any

Liabilities released pursuant to Section 5.1(a). GGP shall not, and shall not permit any member of the GGP Group, to make any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification against Spinco or any member of the Spinco Group, or any other Person released pursuant to Section 5.1(b), with respect to any Liabilities released pursuant to Section 5.1(b).

(e) It is the intent of each of GGP and Spinco, by virtue of the provisions of this Section 5.1, to provide for a full and complete release and discharge of all Liabilities existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed on or before the Plan Effective Date, between or among Spinco or any member of the Spinco Group, on the one hand, and GGP or any member of the GGP Group, on the other hand (including any contractual agreements or arrangements existing or alleged to exist between or among any such members on or before the Plan Effective Date), except as expressly set forth in Section 5.1(c). At any time, at the request of any other party, each party shall cause each member of its respective Group to execute and deliver releases reflecting the provisions hereof.

5.2 General Indemnification by Spinco. Spinco shall, and shall cause the other members of the Spinco Group to, indemnify, defend and hold harmless each member of the GGP Group and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "GGP Indemnified Parties"), from and against any and all Liabilities of the GGP Indemnified Parties relating to, arising out of or resulting from any of the following items (without duplication):

(a) any Spinco Liability;

(b) the failure of Spinco or any other member of the Spinco Group or any other Person to pay, perform or otherwise promptly discharge any Spinco Liabilities or Spinco Contract in accordance with its respective terms, whether prior to or after the Effective Time;

(c) any guarantee, indemnification obligation, surety bond or other credit support agreement, arrangement, commitment or understanding by any member of the GGP Group for the benefit of any member of the Spinco Group that survives the Effective Time, except to the extent any of the foregoing is (i) expressly governed by the Surety Bond Indemnity Agreement or (ii) an Excluded Liability; and

(d) any breach (including any breach of any representation or warranty) of this Agreement or any of the other Transaction Documents by any member of the Spinco Group, or any action by Spinco in contravention of its Amended and Restated Certificate of Incorporation or Bylaws as they exist at the Effective Time;

provided, however, that the indemnification provisions of this Section 5.2 shall not apply to the Transition Services Agreement, the Tax Matters Agreement, the Employee Leasing Agreement and the Subleases, which instead shall be subject to the indemnification provisions contained therein.

5.3 General Indemnification by GGP. GGP shall, and shall cause the other members of the GGP Group to, indemnify, defend and hold harmless each member of the Spinco Group

and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "Spinco Indemnified Parties"), from and against any and all Liabilities of the Spinco Indemnified Parties relating to, arising out of or resulting from any of the following items (without duplication):

(a) any Excluded Liability;

(b) the failure of any member of the GGP Group or any other Person to pay, perform or otherwise promptly discharge any Excluded Liabilities, whether prior to or after the Effective Time;

(c) any guarantee, indemnification obligation, surety bond or other credit support agreement, arrangement, commitment or understanding by any member of the Spinco Group for the benefit of any member of the GGP Group that survives the Effective Time, except to the extent any of the foregoing is a Spinco Liability; and

(d) any breach (including any breach of any representation or warranty) of this Agreement or any of the other Transaction Documents by any member of the GGP Group;

provided, however, that the indemnification provisions of this Section 5.3 shall not apply to the Transition Services Agreement, the Tax Matters Agreement, the Employee Leasing Agreement and the Subleases, which instead shall be subject to the indemnification provisions contained therein.

5.4 Disclosure Indemnification.

(a) Spinco agrees to indemnify and hold harmless the GGP Indemnified Parties and each Person, if any, who controls any member of the GGP Group within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all Liabilities (whether arising before or after the Effective Time) out of or based upon any untrue statement or alleged untrue statement of a material fact contained in a Spinco Disclosure Document, or arising out of or based upon any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(b) GGP agrees to indemnify and hold harmless the Spinco Indemnified Parties and each Person, if any, who controls any member of the Spinco Group within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all Liabilities (whether arising before or after the Effective Time) out of or based upon any untrue statement or alleged untrue statement of a material fact contained in a GGP Disclosure Document, or arising out of or based upon any omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

5.5 Indemnification Obligations Net of Insurance Proceeds and Other Amounts.

(a) Any Liability subject to indemnification or contribution pursuant to this Article V, will be net of Insurance Proceeds that actually reduce the amount of the Liability or Loss, as applicable. Accordingly, the amount which any party (an "Indemnifying Party") is

required to pay to any Person entitled to indemnification under this Article V (an "Indemnified Party") will be reduced by any Insurance Proceeds theretofore actually recovered by or on behalf of the Indemnified Party in respect of the related Liability. If an Indemnified Party receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds, then the Indemnified Party will pay to the Indemnifying Party an amount equal to such Insurance Proceeds but not exceeding the amount of the Indemnity Payment paid by the Indemnifying Party in respect of such Liability.

(b) An insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification provisions hereof, have any subrogation rights with respect thereto. The Indemnified Party shall use its commercially reasonable efforts to seek to collect or recover any third-party Insurance Proceeds (other than Insurance Proceeds under an arrangement where future premiums are adjusted to reflect prior claims in excess of prior premiums) to which the Indemnified Party is entitled in connection with any Liability for which the Indemnified Party seeks indemnification pursuant to this Article V; provided, that the Indemnified Party's inability to collect or recover any such Insurance Proceeds shall not limit the Indemnifying Party's obligations hereunder.

(c) Subject to Section 5.7(e), any indemnity payment under this Article V shall be increased to take into account any inclusion in income of the Indemnified Party arising from the receipt of such indemnity payment and shall be decreased to take into account any reduction in income of the Indemnified Party arising from such indemnified Liability. For purposes hereof, any inclusion or reduction shall be determined (i) using the highest marginal rates in effect at the time of the determination and applicable to a corporate resident of Chicago, Illinois and (ii) assuming that the Indemnified Party, including any entity that qualifies as a real estate investment trust, will be liable for Taxes at such rate and has no Tax Attributes at the time of the determination.

5.6 Procedures for Indemnification of Third Party Claims.

(a) If an Indemnified Party receives written notice that a Person (including any Governmental Authority) that is not a member of GGP Group or Spinco Group has asserted any claim or commenced any Action (collectively, a "Third Party Claim") that may implicate an Indemnifying Party's obligation to indemnify pursuant to Sections 5.2, 5.3 or 5.4, or any other Section of this Agreement or any other Transaction Document, the Indemnified Party shall provide the Indemnifying Party written notice thereof as promptly as practicable (and no later than twenty (20) days or sooner, if the nature of the Third Party Claim so requires) after becoming aware of the Third Party Claim. Such notice shall describe the Third Party Claim in reasonable detail and include copies of all notices and documents (including court papers) received by the Indemnified Party relating to the Third Party Claim. Notwithstanding the foregoing, the failure of an Indemnified Party to provide notice in accordance with this Section 5.6(a) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent to which the Indemnifying Party is actually prejudiced by the Indemnified Party's failure to provide notice in accordance with this Section 5.6(a).

(b) Subject to this Section 5.6(b) and Section 5.6(c), an Indemnifying Party may elect to defend (and seek to settle or compromise), at its own expense and with its own counsel, any Third Party Claim. Within thirty (30) days after the receipt of notice from an Indemnified Party in accordance with Section 5.6(a) (or sooner, if the nature of the Third Party Claim so requires), the Indemnifying Party shall notify the Indemnified Party whether the Indemnifying Party will assume responsibility for defending the Third Party Claim and shall specify any reservations or exceptions to its defense. After receiving notice of an Indemnifying Party's election to assume the defense of a Third Party Claim, whether with or without any reservations or exceptions with respect to such defense, an Indemnified Party shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the Indemnified Party shall be responsible for the fees and expenses of its counsel and, in any event, shall cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party, at the Indemnifying Party's expense, all witnesses, information and materials in such Indemnified Party's possession or under such Indemnified Party's control relating thereto as are reasonably required by the Indemnifying Party. If an Indemnifying Party has elected to assume the defense of a Third Party Claim, whether with or without any reservations or exceptions with respect to such defense, then such Indemnifying Party shall be solely liable for all fees and expenses incurred by it in connection with the defense of such Third Party Claim and shall not be entitled to seek any indemnification or reimbursement from the Indemnified Party for any such fees or expenses incurred during the course of its defense of such Third Party Claim, regardless of any subsequent decision by the Indemnifying Party to reject or otherwise abandon its assumption of such defense.

(c) Notwithstanding Section 5.6(b), if any Indemnified Party shall in good faith determine that there is an actual conflict of interest if counsel for the Indemnifying Party represented both the Indemnified Party and Indemnifying Party, then the Indemnified Party shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, and the Indemnifying Party shall bear the reasonable fees and expenses of one (1) separate counsel for all Indemnified Parties.

(d) If an Indemnifying Party elects not to assume responsibility for defending a Third Party Claim, or fails to notify an Indemnified Party of its election within thirty (30) days after the receipt of notice from an Indemnified Party as provided in Section 5.6(b), the Indemnified Party may defend the Third Party Claim at the cost and expense of the Indemnifying Party. If the Indemnified Party is conducting the defense against any such Third Party Claim, the Indemnifying Party shall cooperate with the Indemnified Party in such defense and make available to the Indemnified Party, at the Indemnifying Party's expense, all witnesses, information and materials in such Indemnifying Party's possession or under such Indemnifying Party's control relating thereto as are reasonably required by the Indemnified Party.

(e) Without the prior written consent of any Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed, no Indemnified Party may settle or compromise, or seek to settle or compromise, any Third Party Claim; provided, however, in the event that the Indemnifying Party elects not to assume responsibility for defending a Third Party Claim or fails to notify the Indemnified Party of its election within thirty (30) days after the receipt of notice from the Indemnified Party as provided in Section 5.6(b), the Indemnified Party shall have the right to settle or compromise such Third Party Claim in its sole

discretion. Without the prior written consent of any Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed, no Indemnifying Party shall consent to the entry of any judgment or enter into any settlement of any pending or threatened Third Party Claim if such Indemnified Party is or could have been a party to the pending or threatened Third Party Claim and could have sought indemnity pursuant to this Section 5.6, unless such judgment or settlement is solely for monetary damages, and provides for a full, unconditional and irrevocable release of that Indemnified Party from all liability in connection with the Third Party Claim.

5.7 Additional Matters.

(a) Indemnification or contribution payments in respect of any Liabilities for which an Indemnified Party is entitled to indemnification or contribution under this Article V shall be paid by the Indemnifying Party to the Indemnified Party as such Liabilities are incurred upon reasonable demand by the Indemnified Party, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification or contribution payment, including documentation with respect to calculations made and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities. The indemnity and contribution agreements contained in this Article V shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnified Party, (ii) the knowledge by the Indemnified Party of Liabilities for which it might be entitled to indemnification or contribution hereunder and (iii) any termination of this Agreement.

(b) Any claim on account of a Liability which does not result from a Third Party Claim shall be asserted by written notice given by the Indemnified Party to the applicable Indemnifying Party. Such Indemnifying Party shall have a period of thirty (30) days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such thirty (30)-day period, such Indemnifying Party shall be deemed to have refused to accept responsibility to make payment. If such Indemnifying Party does not respond within such thirty (30)-day period or rejects such claim in whole or in part, such Indemnified Party shall be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the other Transaction Documents without prejudice to its continuing rights to pursue indemnification or contribution hereunder.

(c) If payment is made by or on behalf of any Indemnifying Party to any Indemnified Party in connection with any Third Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnified Party as to any events or circumstances in respect of which such Indemnified Party may have any right, defense or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other Person. Such Indemnified Party shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(d) In an Action in which the Indemnifying Party is not a named defendant, if either the Indemnified Party or Indemnifying Party shall so request, the parties shall endeavor to substitute the Indemnifying Party for the named defendant if they conclude that substitution is desirable and practical. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in this Section 5.7(d), and the Indemnifying Party shall fully indemnify the named defendant against all costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts fees and all other external expenses), the costs of any judgment or settlement, and the cost of any interest or penalties relating to any judgment or settlement.

(e) For all Tax purposes, GGP and Spinco agree to treat (i) any payment required by this Agreement (other than payments with respect to interest accruing after the Effective Time) as either a contribution by GGP to Spinco or a distribution by Spinco to GGP, as the case may be, occurring immediately prior to the Effective Time or as a payment of an assumed or retained Liability, and (ii) any payment of interest as taxable or deductible, as the case may be, to the party entitled under this Agreement to retain such payment or required under this Agreement to make such payment, in either case except as otherwise required by applicable Law.

5.8 Remedies Cumulative; Limitations of Liability. The rights provided in this Article V shall be cumulative and, subject to the provisions of Article VII, shall not preclude assertion by any Indemnified Party of any other rights or the seeking of any and all other remedies against any Indemnifying Party. Notwithstanding the foregoing, neither Spinco or its Subsidiaries, on the one hand, nor GGP or its Subsidiaries, on the other hand, shall be liable to the other for any special, indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages (collectively, "Special Damages") of the other arising in connection with the Transactions (provided, that any such liability with respect to a Third Party Claim shall be considered direct damages).

5.9 Survival of Indemnities. The rights and obligations of each of GGP and Spinco and their respective Indemnified Parties under this Article V shall survive the sale or other transfer by any party of any Assets or businesses or the assignment by it of any Liabilities.

5.10 Guarantees.

(a) Except as otherwise specified in any other Transaction Document, on or prior to the Effective Time or as soon as practicable thereafter, (i) GGP shall (with the reasonable cooperation of the applicable member(s) of the Spinco Group) use its commercially reasonable efforts to have any member(s) of the Spinco Group removed as guarantor of or obligor for any Excluded Liability, to the extent that they relate to Excluded Liabilities, and (ii) Spinco shall (with the reasonable cooperation of the applicable member(s) of the GGP Group) use its commercially reasonable efforts to have any member(s) of the GGP Group removed as guarantor of or obligor for any Spinco Liability, to the extent that they relate to Spinco Liabilities.

(b) On or prior to the Effective Time, to the extent required to obtain a release from a guarantee (a "Guarantee Release"):

(i) of any member of the GGP Group, Spinco shall execute a guarantee agreement in the form of the existing guarantee or such other form as is agreed to by the relevant parties to such guarantee agreement, except to the extent that such existing

guarantee contains representations, covenants or other terms or provisions either (A) with which Spinco would be reasonably unable to comply or (B) which would be reasonably expected to be breached; and

(ii) of any member of the Spinco Group, GGP shall execute a guarantee agreement in the form of the existing guarantee or such other form as is agreed to by the relevant parties to such guarantee agreement, except to the extent that such existing guarantee contains representations, covenants or other terms or provisions either (A) with which GGP would be reasonably unable to comply or (B) which would be reasonably expected to be breached.

(c) If GGP or Spinco is unable to obtain, or to cause to be obtained, any such required removal as set forth in clauses (a) and (b) of this Section 5.10, (i) the relevant member of the GGP Group or Spinco Group, as applicable, that has assumed the Liability with respect to such guarantee shall indemnify and hold harmless the guarantor or obligor for any Liability arising from or relating thereto (in accordance with the provisions of this Article V) and shall or shall cause one (1) of its Subsidiaries, as agent or subcontractor for such guarantor or obligor to pay, perform and discharge fully all the obligations or other Liabilities of such guarantor or obligor thereunder, and (ii) each of GGP and Spinco, on behalf of themselves and the members of their respective Groups, agree not to renew or extend the term of, increase its obligations under, or transfer to a third Person, any loan, guarantee, lease, Contract or other obligation for which the other party or member of such party's Group is or may be liable unless all obligations of such other party and the other members of such party's Group with respect thereto are thereupon terminated by documentation reasonably satisfactory in form and substance to such party; provided, however, with respect to leases, in the event a Guarantee Release is not obtained and the relevant beneficiary wishes to extend the term of such guaranteed lease, then such beneficiary shall have the option of extending the term if it provides such security as is reasonably satisfactory to the guarantor under such guaranteed lease.

ARTICLE VI

OTHER AGREEMENTS

6.1 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the parties hereto will cooperate with each other and use (and will cause their respective Subsidiaries to use) commercially reasonable efforts, prior to, on and after the Plan Effective Date, to take, or to cause to be taken, all actions, and to do, or to cause to be done, all things reasonably necessary on its part under applicable Law or contractual obligations to consummate and make effective the transactions contemplated by this Agreement and the other Transaction Documents.

(b) Without limiting the foregoing, prior to, on and after the Plan Effective Date, each party hereto shall cooperate with the other parties, and without any further consideration, but at the expense of the requesting party from and after the Effective Time, to execute and deliver, or use its commercially reasonable efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to obtain or make any Approvals or Notifications from or with any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument, and to take all such other actions as such party may reasonably be requested to take by any other party hereto from time to time, consistent with the terms of this Agreement and the other Transaction Documents, in order to effectuate the provisions and purposes of this Agreement and the other Transaction Documents and the transfers of the Spinco Assets and the assignment and assumption of the Spinco Liabilities and the other transactions contemplated hereby and thereby. Without limiting the foregoing, each party will, at the reasonable request, cost and expense of any other party, take such other actions as may be reasonably necessary to vest in such other party good and marketable title to the Assets allocated to such party under this Agreement or any of the other Transaction Documents, free and clear of any Security Interest.

(c) At or prior to the Effective Time, GGP and Spinco in their respective capacities as direct and indirect stockholders of their respective Subsidiaries, shall each ratify any actions that are reasonably necessary or desirable to be taken by Spinco or any other Subsidiary of GGP or Spinco, as the case may be, to effectuate the transactions contemplated by this Agreement.

(d) Upon a party's written request of the other party regarding any pre-existing and specifically identifiable database, spreadsheet or other proprietary information that such requesting party determines in good faith is reasonably necessary to operate its business in the manner it was operated immediately prior to the Effective Time, the parties shall work in good faith to enter into a reasonable and customary cross-licensing arrangement, or another mutually agreeable arrangement, providing rights to use (but no obligation to maintain or update) such requested information.

6.2 Confidentiality.

(a) From and after the Effective Time, subject to Section 6.2(d) and except as contemplated by or otherwise provided in this Agreement or any other Transaction Document, without the prior written consent of Spinco (which may be withheld in Spinco's sole discretion), GGP shall not, and shall cause its Subsidiaries and officers, directors, employees, and other agents and representatives, including attorneys, agents, customers, suppliers, contractors, consultants and other representatives of any Person providing financing (collectively, "Representatives"), not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person other than Representatives of such party or of its Subsidiaries who reasonably need to know such information to provide services to any member of the GGP Group, or use or otherwise exploit for its own benefit or for the benefit of any third Person, any Spinco Confidential Information. If any disclosures are made in connection with providing services to any member of the GGP Group under this Agreement or any other Transaction Document, then the Spinco Confidential Information so disclosed shall be used for the sole purpose of performing such services. GGP shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the Spinco Confidential Information by any of its Representatives as it currently uses for its own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 6.2(a), any Information, material or document exclusively relating to the Spinco Business that is furnished

to, or in the possession of, GGP, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by GGP or its officers, directors and Subsidiaries, that contain or otherwise reflect such information, material or document, is herein referred to as "Spinco Confidential Information." Spinco Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by GGP not otherwise permissible hereunder, (ii) GGP can demonstrate was or became available to GGP from a source other than Spinco or its Subsidiaries or (iii) is developed independently by GGP without reference to the Spinco Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by GGP to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, Spinco or any member of the Spinco Group with respect to such information.

(b) From and after the Effective Time, subject to Section 6.2(d) and except as contemplated by this Agreement or any other Transaction Document, without the prior written consent of GGP (which may be withheld in GGP's sole discretion), Spinco shall not, and shall cause its Subsidiaries and their respective Representatives, not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person other than Representatives of such party or of its Subsidiaries who reasonably need to know such information to provide services to Spinco or any member of the Spinco Group, or use or otherwise exploit for its own benefit or for the benefit of any third Person, any GGP Confidential Information. If any disclosures are made in connection with providing services to any member of the Spinco Group under this Agreement or any other Transaction Document, then the GGP Confidential Information so disclosed shall be used for the sole purpose of performing such services. The Spinco Group shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the GGP Confidential Information by any of their Representatives as they currently use for their own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 6.2(b), any Information, material or document exclusively relating to the businesses currently or formerly conducted, or proposed to be conducted, by GGP or any of its Subsidiaries (other than any member of the Spinco Group) that is furnished to, or in the possession of, any member of the Spinco Group, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by Spinco, any member of the Spinco Group or their respective officers, directors and Subsidiaries, that contain or otherwise reflect such information, material or document, is herein referred to as "GGP Confidential Information." GGP Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by any member of the Spinco Group not otherwise permissible hereunder, (ii) Spinco can demonstrate was or became available to Spinco from a source other than GGP and its respective Subsidiaries or (iii) is developed independently by such member of the Spinco Group without reference to the GGP Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by Spinco to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, GGP or its Subsidiaries with respect to such information.

(c) From and after the Effective Time, subject to Section 6.2(d) and except as contemplated by this Agreement or any other Transaction Document, without the prior written consent of the other party (not to be unreasonably withheld, conditioned or delayed), each party shall not, and shall cause its Subsidiaries and their respective Representatives, not to, directly or indirectly, disclose, reveal, divulge or communicate any Shared Information to any Person other than Representatives of such party or of its Subsidiaries who reasonably need to know such information for the purpose of operating such party's business in its ordinary course. The GGP Group and the Spinco Group shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the Shared Information by any of their Representatives as they currently use for their own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 6.2(c), any Information, material or document relating to both (i) the businesses currently or formerly conducted, or proposed to be conducted, by GGP or any of its Subsidiaries (other than any member of the Spinco Group) and (ii) the Spinco Business that is furnished to, or in the possession of, any member of the GGP Group or any member of the Spinco Group, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by, for or on behalf of the party possessing such Information, material or document, is herein referred to as "Shared Information." Shared Information does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by any member of the GGP Group or any member of the Spinco Group (as applicable) not otherwise permissible hereunder, (ii) GGP or Spinco (as applicable) can demonstrate was or became available to such party from a source other than the other party and its respective Subsidiaries or (iii) is developed independently without reference to the Shared Information; provided, however, that, in the case of clause (ii), the source of such information was not known by such party to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, the other party or its Subsidiaries with respect to such information.

(d) If GGP or its Subsidiaries, on the one hand, or Spinco or its Subsidiaries, on the other hand, are requested or required (by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) by any Governmental Authority or pursuant to applicable Law to disclose or provide any Shared Information (applicable to both parties) or Spinco Confidential Information or GGP Confidential Information (as applicable), the Person receiving such request or demand shall use commercially reasonable efforts to provide the other party with written notice of such request or demand as promptly as practicable under the circumstances so that such other party shall have an opportunity to seek an appropriate protective order. The party receiving such request or demand agrees to take, and cause its representatives to take, at the requesting party's expense, all other reasonable steps necessary to obtain confidential treatment by the recipient. Subject to the foregoing, the party that received such request or demand may thereafter disclose or provide any Shared Information, Spinco Confidential Information or GGP Confidential Information, as the case may be, to the extent required by such Law (as so advised by counsel) or by lawful process or such Governmental Authority. This Section 6.2(d) shall not apply to any Information furnished pursuant to the provisions of Article IV of this Agreement.

(e) Each of GGP and Spinco acknowledges that it and the other members of its Group may have in their possession confidential or proprietary information of third Persons

that was received under confidentiality or non-disclosure agreements with such third Person prior to the Plan Effective Date. GGP and Spinco each agrees that it will hold, and will cause the other members of its Group and their respective Representatives to hold, in strict confidence the confidential and proprietary information of third Persons to which it or any other member of its respective Group has access, in accordance with the terms of any agreements entered into prior to the Plan Effective Date between or among one (1) or more members of the applicable party's Group and such third Persons.

6.3 Insurance Matters.

(a) Except as expressly provided herein or in any of the other Transaction Documents, Spinco acknowledges and agrees, on its own behalf and on behalf of each other member of the Spinco Group, that, from and after the Effective Time, neither Spinco nor any member of the Spinco Group shall have any rights to or under any of GGP's or its Subsidiaries' insurance policies, other than any insurance policies acquired prior to the Effective Time directly by and in the name of a member of the Spinco Group or as expressly provided in this Section 6.3 or in the Transition Services Agreement or the Employee Matters Agreement; provided, however, that Spinco shall be entitled to any loss recoveries paid to any member of the GGP Group subsequent to the Effective Time in respect of any insurance claims to the extent related to the Spinco Business that were formally filed and open prior to the Effective Time less the amount of (i) any Liabilities (other than Excluded Liabilities) that GGP or its Subsidiaries (including, for the avoidance of doubt, any member of the Spinco Group) incurred and paid in connection therewith prior to the Effective Time and (ii) any Liabilities incurred by any member of the GGP Group in connection with obtaining such insurance recoveries.

(b) Notwithstanding Section 6.3(a), from and after the Effective Time, with respect to losses, damages, wrongful acts or liability incurred prior to the Effective Time, Spinco may access GGP's insurance policies as follows:

(i) to file claims against GGP's occurrence policies including Workers' Compensation, Employers Liability, General Liability, Automobile Liability and Excess Umbrella Policies for losses occurring on or before the Effective Time; and

(ii) to file claims against GGP's claims made policies including Directors & Officers, Fiduciary Liability, Employment Practices Liability, Crime, and Pollution Legal Liability coverage in force at the time the claim is made if the act giving rise to the claim occurred prior to the Effective Time;

provided, however, that, in the case of each of clause (i) and (ii), such access to, and the right to make claims under such insurance policies , shall be subject to the terms and conditions of the applicable insurance policies, including any limits on coverage or scope, any deductible and other fees and expenses, and shall be subject to:

(A) For so long as Spinco may access GGP's policies, Spinco shall report as promptly as practicable (1) claims under the Workers' Compensation and Automobile Liability policy directly to the applicable insurance company in accordance with GGP's claim reporting procedures in effect immediately prior to the Effective Time and provide

copies of such reported claims to GGP's Corporate Insurance and Risk Management Department and (2) claims under all other insurance policies to the GGP Corporate Insurance Department;

(B) Spinco shall indemnify, hold harmless and reimburse GGP and its Subsidiaries for any deductibles and self-insured retention incurred by GGP or its Subsidiaries to the extent resulting from any access to, any claims made by Spinco or any of its Subsidiaries under, any insurance provided pursuant to Section 6.3(b)(i) and Section 6.3(b)(ii), including any indemnity payments, settlements, judgments, legal fees and allocated claims expenses and claim handling fees, whether such claims are made by Spinco, its employees or third Persons;

(C) Spinco shall exclusively bear and be responsible for (and GGP shall have no obligation to repay or reimburse Spinco or any of its Subsidiaries for) and pay the applicable insurers as required under the applicable insurance policies for any and all costs as a result of having access to, or making claims under, any insurance provided pursuant to Pre-GGP Insurance Policies, including any deductibles and self-insured retention associated with such claims, retrospective, retroactive or prospective premium adjustments associated with the applicable insurance policies, catastrophic coverage charges, overhead, claim handling and administrative costs, Taxes, surcharges, state assessments, reinsurance costs, other related costs and claim payments, relating to all open, closed or re-opened claims covered by the applicable policies, whether such claims are made by Spinco, its employees or third Persons; and

(D) Spinco shall exclusively bear (and GGP shall have no obligation to repay or reimburse Spinco or its Subsidiaries for) and shall be liable for all uninsured, uncovered, unavailable or uncollectible amounts of all such claims made by Spinco or any of its Subsidiaries under the policies as provided for in this Section 6.3(b).

(c) Any payments, costs and adjustments required pursuant to Section 6.3(b) (other than payments, costs and adjustments with respect to Pre-GGP Insurance Policies, which payments, costs and adjustments shall be paid by Spinco directly to the applicable insurers) shall be billed by GGP to Spinco on a monthly basis and payable within thirty (30) days from receipt of invoice. If payment is not made within ninety (90) days of invoice, the outstanding amount will accrue interest from and including the ninetieth (90th) day following the date of the invoice to (but excluding) the date of payment at a rate per annum equal to ten percent (10%). If GGP incurs costs to enforce Spinco's obligations herein, Spinco agrees to indemnify GGP for such enforcement costs, including attorneys' fees.

(d) Except as set forth in the proviso to Section 6.3(a) and the Employee Matters Agreement, Spinco acknowledges and agrees on its own behalf, and on behalf of each other member of the Spinco Group, that neither Spinco nor any member of the Spinco Group shall have any right or claim against GGP or any of its Subsidiaries for reimbursement, payment or any other obligation arising from any insurance policy covering Spinco, any Spinco Asset or any member of the Spinco Group, and hereby irrevocably releases, as of the Effective Time, GGP and its Subsidiaries from all of the duties, obligations, responsibilities and liabilities, known or unknown, reported or not reported, imposed upon GGP or any of its Subsidiaries to the extent resulting from, relating to or arising out of any such insurance policy, without recourse to GGP or any of its Subsidiaries.

(e) GGP shall retain the exclusive right to control its insurance policies and programs, including the right to exhaust, settle, release, commute, buy-back or otherwise resolve disputes with respect to any of its insurance policies and programs and to amend, modify or waive any rights under any such insurance policies and programs, notwithstanding whether any such policies or programs apply to any Spinco Liabilities and/or claims Spinco has made or could make in the future, and no member of the Spinco Group shall, without the prior written consent of GGP, erode, exhaust, settle, release, commute, buy-back or otherwise resolve disputes with GGP's insurers with respect to any of GGP's insurance policies and programs, or amend, modify or waive any rights under any such insurance policies and programs. Spinco shall cooperate with GGP and share such information as is reasonably necessary in order to permit GGP to manage and conduct its insurance matters as it deems appropriate.

(f) At the Effective Time, Spinco shall have in effect, except as contemplated by the Transition Services Agreement, all insurance programs required to comply with law or Spinco's contractual obligations and such other insurance policies as reasonably necessary or customary for companies operating a business similar to Spinco's.

(g) Except as otherwise provided in Section 6.3(i), GGP and its Subsidiaries shall have no obligation to secure extended reporting for any claims under any of GGP's or its Subsidiaries' claims-made or occurrence-reported liability policies for any acts or omissions by any member of the Spinco Group incurred prior to the Effective Time.

(h) GGP has obtained and shall provide for the joint benefit of GGP and Spinco, a fully paid directors and officers liability run-off insurance policy, for claims made after the Effective Time covering wrongful acts which take place after the commencement of the Bankruptcy Cases and on or prior to the Effective Time and arising out of or relating to the entities and business that are part of the Spinco Group as of immediately after the Effective Time, with a policy period of at least three (3) years from and after the Effective Time, covering (i) current as of the Effective Time and former directors and officers of GGP, (ii) current as of the Effective Time and former directors and officers of the entities and business that are part of the Spinco Group as of immediately after the Effective Time, (iii) current as of the Effective Time and former GGP employees for securities claims and (iv) GGP and its Subsidiaries and the entities and business that are part of the Spinco Group as of immediately after the Effective Time and its Subsidiaries for securities claims. Such directors and officers liability run-off insurance policy shall be materially consistent with the directors and officers liability insurance policy currently maintained by GGP (except for the policy period and provisions excluding coverage for wrongful acts occurring after the Effective Time).

(i) This Agreement shall not be considered as an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of any member of the GGP Group in respect of any of the GGP insurance policies and programs or any other Contract or policy of insurance.

6.4 Allocation of Costs and Expenses. Subject to the terms of the Investment Agreements, GGP shall pay for all out-of-pocket fees, costs and expenses incurred by GGP or any of its Subsidiaries prior to the Effective Time in connection with the Transactions, including (i) the preparation and negotiation of this Agreement, each other Transaction Document (unless

otherwise expressly provided therein), each of the financing transactions described in the Form 10 as occurring on or prior to the Plan Effective Date, including any financing transactions to be entered into by Spinco or any of its Subsidiaries and all other documentation related to the Transactions and all related transactions, (ii) the preparation and execution or filing of any and all other documents, agreements, forms, applications, Contracts or consents associated with the Transactions and all related transactions, (iii) the preparation and filing of Spinco's and its Subsidiaries' organizational documents, (iv) the preparation, printing and filing of the Form 10 and the information statement contained therein and/or any other required securities filings, including all fees and expenses of complying with applicable federal and state securities Laws and domestic securities exchange rules and regulations, together with fees and expenses of counsel retained to effect such compliance, (v) obtaining the Private Letter Ruling, (vi) the initial listing of the Spinco Common Stock on the New York Stock Exchange, (vii) the fees and expenses of Deloitte & Touche incurred in connection with the Form 10 and the information statement contained therein and/or any other required securities filings, (viii) the fees and expenses related to the bankruptcy proceeding of GGP and (ix) the fees and expenses of Weil, Gotshal & Manges LLP incurred in connection with rendering the legal opinions of outside tax counsel contemplated by Section 3.2(c).

6.5 Litigation; Cooperation.

(a) As of the Effective Time, Spinco shall assume and thereafter, except as provided in Article V, be responsible for the administration of all Liabilities that may result from the Assumed Actions and all fees and costs relating to the defense of the Assumed Actions, including attorneys' fees and costs incurred after the Effective Time. "Assumed Actions" means those Actions (in which any member of the GGP Group or any Subsidiary of a member of the GGP Group is a defendant or the party against whom the claim or investigation is directed) primarily relating to the Spinco Business, including the Actions listed on Schedule 6.5(a). Spinco shall use its commercially reasonable efforts to cause each member of the GGP Group to be removed from the Assumed Actions; provided, however, that if Spinco is unable to cause each member of the GGP Group to be removed from an Assumed Action, GGP and Spinco shall cooperate and consult to the extent necessary or advisable with respect to such Assumed Action.

(b) GGP shall transfer the Transferred Actions to Spinco, and Spinco shall receive and have the benefit of all of the proceeds of such Transferred Actions. "Transferred Actions" means those Actions (in which any member of the GGP Group or any Subsidiary of a member of the GGP Group is a plaintiff or claimant) primarily relating to the Spinco Business. Spinco shall use its commercially reasonable efforts to cause each member of the GGP Group to be removed from the Transferred Actions; provided, however, that if Spinco is unable to cause each member of the GGP Group to be removed from a Transferred Action, GGP and Spinco shall cooperate and consult to the extent necessary or advisable with respect to such Transferred Action.

(c) (i) GGP agrees that at all times from and after the Effective Time if a Third Party Claim relating primarily to the GGP Business is commenced naming both a member of the GGP Group and a member of the Spinco Group as defendants thereto, then GGP shall use its commercially reasonable efforts to cause each such member of the Spinco Group to be removed from such Third Party Claim; provided, that, if GGP is unable to cause each such

member of the Spinco Group to be removed from such Third Party Claim, GGP and Spinco shall cooperate and consult to the extent necessary or advisable with respect to such Third Party Claim.

(ii) Spinco agrees that at all times from and after the Effective Time if a Third Party Claim relating primarily to the Spinco Business is commenced naming both GGP and Spinco as defendants thereto, then Spinco shall use its commercially reasonable efforts to cause GGP to be removed from such Third Party Claim; provided, that, if Spinco is unable to cause GGP to be removed from such Third Party Claim, GGP and Spinco shall cooperate and consult to the extent necessary or advisable with respect to such Third Party Claim.

(iii) GGP and Spinco agree that at all times from and after the Effective Time if a Third Party Claim which does not relate primarily to the Spinco Business or the GGP Business is commenced naming both GGP (or any member of the GGP Group) and Spinco (or any member of the Spinco Group) as defendants thereto, then GGP and Spinco shall cooperate fully with each other, maintain a joint defense (in a manner that would preserve for both parties and their respective Subsidiaries any attorney-client privilege, joint defense or other privilege with respect thereto) and consult each other to the extent necessary or advisable with respect to such Third Party Claim.

(d) GGP and Spinco agree that, with respect to any Assumed Action, Transferred Action, Third Party Claim, or any other Action to which either GGP or Spinco is a party and that is governed by this Section 6.5, neither GGP or any member of the GGP Group, on the one hand, nor Spinco or any member of the Spinco Group, on the other hand, shall settle such Action in a manner that would reasonably be expected to result in any liability or equitable relief, contingent or otherwise, against the other.

6.6 Tax Matters. GGP and Spinco shall enter into the Tax Matters Agreement on or prior to the Plan Effective Date. To the extent any representations, warranties, covenants or agreements between the parties with respect to Taxes or other matters are set forth in the Tax Matters Agreement, such Taxes and other matters shall be governed exclusively by the Tax Matters Agreement and not by this Agreement.

6.7 Employment Matters. GGP and Spinco shall enter into the Employee Matters Agreement concurrent with this Agreement. To the extent that any representations, warranties, covenants or agreements between the parties with respect to employment matters are set forth in the Employee Matters Agreement, such employment matters shall be governed exclusively by the Employee Matters Agreement and not by this Agreement, if applicable, with respect to Spinco Employees.

6.8 Real Estate Agreements. GGP and Spinco shall enter into the Real Estate Agreements on or prior to the Plan Effective Date. To the extent that any representations, warranties, covenants or agreements between the parties with respect to the subject matters contemplated by the Real Estate Agreements are set forth in the Real Estate Agreements, such subject matters shall be governed exclusively by the Real Estate Agreements and not by this Agreement.

ARTICLE VII

DISPUTE RESOLUTION

7.1 General Provisions.

(a) Any dispute, controversy or claim arising out of or relating to this Agreement that arises prior to the closing of the Bankruptcy Cases (such time, the "Bankruptcy Closing") shall be subject to the jurisdiction of and determination by the Bankruptcy Court, and any dispute, controversy or claim arising out of or relating to this Agreement that arises after the Bankruptcy Closing shall be subject to the procedures in this Article VII. Each of the parties hereto (i) consents to the exclusive personal jurisdiction of the Bankruptcy Court (prior to the Bankruptcy Closing) or the procedures set forth in this Article VII (after the Bankruptcy Closing) in connection with any dispute arising out of or relating to this Agreement, (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from such courts for actions brought prior to the Bankruptcy Closing and (iii) agrees that it will not bring any action relating to this Agreement in any court other than the Bankruptcy Court (prior to the Bankruptcy Closing), unless such court first determines it does not have subject matter jurisdiction or otherwise declines to hear the dispute.

(b) Subject to Section 7.1(a), any dispute, controversy or claim arising out of or relating to this Agreement or the other Transaction Documents (other than the Transition Services Agreement and the Tax Matters Agreement, which shall be subject to the dispute resolution provisions contained therein), or the validity, interpretation, breach or termination thereof that arises after the final determination of the Bankruptcy Cases (a "Dispute"), shall be resolved in accordance with the procedures set forth in this Article VII, which shall be the sole and exclusive procedures for the resolution of any such Dispute unless otherwise specified in the applicable Transaction Document or in this Article VII below.

(c) Commencing with a request contemplated by Section 7.2 set forth below, all communications between the parties or their representatives in connection with the attempted resolution of any Dispute shall be deemed to have been delivered in furtherance of a Dispute settlement and shall be exempt from discovery and production, and shall not be admissible into evidence for any reason (whether as an admission or otherwise), in any arbitral or other proceeding for the resolution of any Dispute.

(d) THE PARTIES EXPRESSLY WAIVE AND FOREGO ANY RIGHT TO (I) SPECIAL DAMAGES, AS DEFINED HEREIN (PROVIDED, THAT LIABILITY FOR ANY SUCH SPECIAL DAMAGES, AS DEFINED HEREIN, WITH RESPECT TO ANY THIRD PARTY CLAIM SHALL BE CONSIDERED DIRECT DAMAGES) AND (II) TRIAL BY JURY.

(e) The specific procedures set forth in this Article VII below, including the time limits referenced therein, may be modified by agreement of both of the parties in writing.

(f) All applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified in this Article VII are pending. The parties will take any necessary or appropriate action required to effectuate such tolling.

7.2 Consideration by Senior Executives. Following the Bankruptcy Closing, if a Dispute is not resolved in the normal course of business at the operational level, the parties shall attempt in good faith to resolve the Dispute by negotiation between the Groups' executives who hold, respectively, the office of Vice President (or a more senior office). Either party may initiate the executive negotiation process by providing a written notice to the other (the "Initial Notice"). Within fifteen (15) days, the receiving party shall submit to the other a written response (the "Response"). The Initial Notice and the Response shall include (i) a statement of the Dispute and of each party's position and (ii) the name and title of the executive who will represent that party and of any other person who will accompany the executive. The parties agree that such executives shall have full and complete authority to resolve any Disputes submitted pursuant to this Section 7.2. Such executives will meet in person or by teleconference or video conference within thirty (30) days (or, where the Dispute relates to the a matter controlled by the Transition Services Agreement, then within the time periods set forth therein with respect to the Transition Services Agreement, twenty-five (25) days) of the date of the Initial Notice to seek a resolution of the Dispute. In the event that the executives are unable to agree to a location or format for such meeting, the meeting shall be convened by teleconference.

7.3 Arbitration.

(a) Following the Bankruptcy Closing, if a Dispute is not resolved by negotiation as provided in Section 7.2 within forty-five (45) days (or, where the Dispute relates to the Transition Services Agreement, thirty (30) days) from the delivery of the Initial Notice, then either party shall (i) pursuant to its rights under Section 7.1, submit a request for interim injunctive relief to the arbitrator appointed pursuant to Section 7.3(b) (provided, that, if the tribunal shall not have been constituted, either party may seek interim relief either before a special arbitrator, as provided for in Rule 14 of the CPR Institute for Dispute Resolution (the "CPR") Arbitration Rules, or before any court of competent jurisdiction) without first complying with the provisions of Section 7.2 if, in the reasonable opinion of such party, such interim injunctive relief is necessary to preserve its rights pending resolution of the Dispute, and (ii) if such Dispute is not finally resolved pursuant to Section 7.2, submit such Dispute to be finally resolved by binding arbitration, in each case, pursuant to the CPR Rules for Non-Administered Arbitration as then in effect (the "CPR Arbitration Rules").

(b) The neutral organization for purposes of the CPR Arbitration Rules will be the CPR. The arbitrator will be composed of one (1) arbitrator. The one (1) arbitrator will be appointed by CPR from a list of six (6) proposed neutrals submitted by the CPR. Each party may strike no more than two (2) neutrals from the list submitted by CPR.

(c) Arbitration will take place in the Borough of Manhattan in New York, New York. Along with the arbitrator appointed, the parties will agree to a mutually convenient date and time to conduct the arbitration, but in no event will the hearing(s) be scheduled less than nine (9) months from submission of the Dispute to arbitration unless the parties agree otherwise in writing; provided, that, if injunctive or other interim relief contemplated by Section 7.3(d)

below is requested, the hearing(s) will be expedited in accordance with any order entered by the court, tribunal or special arbitrator adjudicating that request.

(d) The arbitrator will have the right to award, on an interim basis, or include in the final award, money damages (with interest on unpaid amounts from the due date), injunctive relief (including specific performance) and attorneys' fees and costs; provided, that the arbitrator will not award any relief not specifically requested by the parties and, in any event, will not award Special Damages. Upon appointment of the arbitrator following any grant of interim relief by a special arbitrator or court pursuant to Sections 7.3(a) and 7.4, the tribunal may affirm or disaffirm that relief, and the parties will seek modification or rescission of the order entered by the special arbitrator or court as necessary to accord with the tribunal's decision.

(e) The parties agree to be bound by the provisions of Rule 13 of the Federal Rules of Civil Procedure with respect to compulsory counterclaims (as the same may be amended from time to time); provided, that any such compulsory counterclaim shall be filed within thirty (30) days of the filing of the original claim.

(f) So long as either party has a timely claim to assert, the agreement to arbitrate Disputes set forth in this Section 7.3 will continue in full force and effect subsequent to, and notwithstanding the completion, expiration or termination of, this Agreement.

(g) A party obtaining an order of interim injunctive relief may enter judgment upon such award in any court of competent jurisdiction. The final award in an arbitration pursuant to this Article VII shall be conclusive and binding upon the parties, and a party obtaining a final award may enter judgment upon such award in any court of competent jurisdiction.

(h) It is the intent of the parties that the agreement to arbitrate Disputes set forth in this Section 7.3 shall be interpreted and applied broadly such that all reasonable doubts as to arbitrability of a Dispute shall be decided in favor of arbitration.

(i) If a Dispute includes both arbitrable and nonarbitrable claims, counterclaims or defenses, the parties shall arbitrate all such arbitrable claims, counterclaims or defenses and shall concurrently litigate all such nonarbitrable claims, counterclaims or defenses.

(j) The parties agree that any Dispute submitted to mediation and/or arbitration shall be governed by, and construed and interpreted in accordance with, Section 8.2 and, except as otherwise provided in this Article VII or mutually agreed to in writing by the parties, the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., shall govern any arbitration between the parties pursuant to this Section 7.3.

(k) Each party shall bear (i) its own fees, costs and expenses and (ii) an equal share of other expenses of the arbitration, including the fees, costs and expenses of the one (1) arbitrator; provided, in the case of any Disputes relating to the parties' rights and obligations with respect to indemnification under Article V, the prevailing party shall be entitled to reimbursement by the other party of its reasonable out-of-pocket fees and expenses (including attorneys' fees) incurred in connection with the arbitration.

7.4 Specific Performance. In the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Tax Matters Agreement, the Employee Matters Agreement or any of the Real Estate Agreements, the party or parties who are or are to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on an interim or permanent basis) of its rights under such agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The parties agree that the remedies at law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the parties to this Agreement. Notwithstanding the foregoing, except with respect to breaches of Section 6.2 of this Agreement, specific performance can only be sought and granted in proceedings before the Bankruptcy Court or the independent arbitrator pursuant to this Article VII.

ARTICLE VIII

MISCELLANEOUS

8.1 Corporate Power. GGP represents on behalf of itself and on behalf of other members of the GGP Group, and Spinco represents on behalf of itself and on behalf of other members of the Spinco Group, as of the date hereof, as follows:

(a) each such Person has the requisite corporate power and authority and has taken all corporate action necessary in order to execute, deliver and perform each of this Agreement and each other Transaction Document to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(b) this Agreement and each Transaction Document to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

8.2 Governing Law. This Agreement and, unless expressly provided therein, each other Transaction Document, shall be governed by and construed and interpreted in accordance with the Laws of the State of New York irrespective of the choice of Laws principles of the State of New York.

8.3 Survival of Covenants. Except as expressly set forth in any other Transaction Document, the covenants and other agreements contained in this Agreement and each other Transaction Document, and liability for the breach of any obligations contained herein or therein, shall survive each of the Restructuring and the Distribution and shall remain in full force and effect.

8.4 Force Majeure. No party hereto (or any Person acting on its behalf) shall have any liability or responsibility for failure to fulfill any obligation (other than a payment obligation) under this Agreement or, unless otherwise expressly provided therein, any other Transaction Document, so long as and to the extent to which the fulfillment of such obligation is

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prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. A party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (i) notify the other parties of the nature and extent of any such Force Majeure condition and (ii) use due diligence to remove any such causes and resume performance under this Agreement as soon as feasible.

8.5 Notices. All notices, requests, claims, demands and other communications under this Agreement and, to the extent applicable and unless otherwise provided therein, under each of the other Transaction Documents shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic transmission with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.5):

(i) if to GGP:

General Growth Properties, Inc.
110 N. Wacker Drive
Chicago, IL 60606
Attention: General Counsel

Facsimile: (312) 960-5485

(ii) if to Spinco:

Spinco, Inc.
[INSERT ADDRESS]

a copy of all notices should also be sent to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Attention: Gary Holtzer and Marcia Goldstein
Facsimile: (212) 310-8007

8.6 Termination. Notwithstanding any provision to the contrary, this Agreement may be terminated and the Distribution abandoned at any time prior to the Effective Time by and in the sole discretion of GGP without the prior approval of any Person, including Spinco. In the event of such termination, this Agreement shall become void and no party, or any of its officers and directors, shall have any liability to any Person by reason of this Agreement. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by each of the parties to this Agreement.

8.7 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall remain in full force and effect. Upon such determination

that any term or other provision is invalid, illegal or incapable of being enforced, the parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

8.8 Entire Agreement. Except as otherwise expressly provided in this Agreement, this Agreement (including the Schedules and Exhibits hereto) constitutes the entire agreement of the parties hereto with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the parties hereto with respect to the subject matter of this Agreement.

8.9 Assignment; No Third-Party Beneficiaries. This Agreement shall not be assigned by either party without the prior written consent of the other party. Notwithstanding the foregoing, either party may assign (i) any or all of its rights and obligations under this Agreement to any of its Subsidiaries and (ii) any or all of its rights and obligations under this Agreement in connection with a sale or disposition of any assets or entities or lines of business; provided, however, that, in each case, no such assignment shall (i) release the assigning party from any liability or obligation under this Agreement or (ii) change any of the steps in the Spinoff Plan or the Plan. Except as provided in Article V with respect to Indemnified Parties, this Agreement is for the sole benefit of the parties to this Agreement and members of their respective Group and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

8.10 Public Announcements. From and after the Effective Time, GGP and Spinco shall consult with each other before issuing, and give each other the opportunity to review and comment upon, any press release or other public statements with respect to any matters covered by this Agreement, and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable Law, court process or by obligations pursuant to any listing agreement with any national securities exchange or national securities quotation system.

8.11 Amendment. No provision of this Agreement may be amended or modified except by a written instrument signed by all the parties to this Agreement. No waiver by any party of any provision of this Agreement shall be effective unless explicitly set forth in writing and executed by the party so waiving. The waiver by any party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

8.12 Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (i) in the event of any conflict between the terms and conditions of this Agreement and the terms and conditions of any Ancillary Document, the terms and conditions of the Ancillary Document shall govern and control this Agreement, unless otherwise specified herein; (ii) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires; (iii) references to the terms Article, Section, paragraph, clause, Exhibit and Schedule are references to the Articles, Sections, paragraphs, clauses, Exhibits and Schedules of this Agreement unless

otherwise specified; (iv) the terms “hereof,” “herein,” “hereby,” “hereto,” and derivative or similar words refer to this entire Agreement, including the Schedules and Exhibits hereto; (v) references to “$” shall mean U.S. dollars; (vi) the word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless otherwise specified; (vii) the word “or” shall not be exclusive; (viii) references to “written” or “in writing” include in electronic form; (ix) unless the context requires otherwise, references to “party” shall mean GGP or Spinco, as appropriate, and references to “parties” shall mean GGP and Spinco; (x) provisions shall apply, when appropriate, to successive events and transactions; (xi) the table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement; (xii) GGP and Spinco have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or burdening either party by virtue of the authorship of any of the provisions in this Agreement or any interim drafts of this Agreement; and (xiii) a reference to any Person includes such Person’s successors and permitted assigns.

8.13 Counterparts. This Agreement may be executed in one (1) or more counterparts, and by the different parties to each such agreement in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of any such Agreement.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

GENERAL GROWTH PROPERTIES, INC.

By: ______________________________
Name:
Title:

SPINCO, INC.

By: ______________________________
Name:
Title:

Signature Page to Separation Agreement

TRANSITION SERVICES AGREEMENT

dated as of [·]

between

GGP LIMITED PARTNERSHIP,

GENERAL GROWTH MANAGEMENT, INC.,

and

SPINCO, INC.

TABLE OF CONTENTS

TRANSITION SERVICES AGREEMENT

This Transition Services Agreement (this "Agreement"), dated as of [·], is by and among GGP Limited Partnership, a Delaware limited partnership ("GGPLP"), General Growth Management, Inc., a Delaware corporation ("GGMI" and, collectively with GGPLP, "GGP"), and Spinco, Inc., a Delaware corporation ("Spinco").

RECITALS

WHEREAS, General Growth Properties, Inc. ("GGPI") and Spinco entered into the Separation Agreement, dated as of the date hereof (as amended, modified or supplemented from time to time in accordance with its terms, the "Separation Agreement"); and

WHEREAS, pursuant to the Separation Agreement, the Parties agreed that GGPI (and/or its Subsidiaries on the date of this Agreement immediately after giving effect to, and subject to the occurrence of, the Distribution, collectively referred to as the "GGP Entities") shall provide or cause to be provided to Spinco (and/or its Subsidiaries on the date of this Agreement immediately after giving effect to, and subject to the occurrence of, the Distribution, collectively referred to as the "Spinco Entities") certain services on a transitional basis and in accordance with the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, the Separation Agreement requires execution and delivery of this Agreement by GGP and Spinco on or prior to the Plan Effective Date.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained in this Agreement, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Certain Defined Terms. (a) Unless otherwise defined in this Agreement, all capitalized terms used in this Agreement shall have the same meaning as in the Separation Agreement.

(b) The following capitalized terms used in this Agreement shall have the meanings set forth below:

"Additional Services" shall have the meaning set forth in Section 2.03(a).

"Agreement" shall have the meaning set forth in the Preamble.

"Business Employees" shall have the meaning ascribed to such term in the Employee Matters Agreement.

"Competitor of GGP" shall mean an entity that is directly or indirectly (or whose Affiliates are directly or indirectly) in the business of owning or managing retail malls.

"Confidential Information" shall have the meaning set forth in Section 10.03(a).

"Cost Multiplier" shall mean: 110% during the period beginning on the Plan Effective Date and ending on the last day of the 6th month after the Plan Effective Date; 150% during the period beginning on the first day of the 7th month after the Plan Effective Date and ending on the last day of the 12th month after the Plan Effective Date; and 200% during the period beginning on the first day of the 13th month after the Plan Effective Date and ending on the date that this Agreement terminates.

"Direct Payroll Costs" shall mean, with respect to each GGP Employee providing a particular Service, the applicable hourly rate set forth on Exhibit I.

"Dispute" shall have the meaning set forth in Section 8.01(a).

“GGMI” shall have the meaning set forth in the Preamble.

“GGP” shall have the meaning set forth in the Preamble.

“GGP Employee” shall mean an employee of any of the GGP Entities.

“GGP Entities” shall have the meaning set forth in the Recitals.

“GGP Indemnified Party” shall have the meaning set forth in Section 7.04.

“GGP Intranet” shall mean GGPI’s internal computer network Intranet site generally accessible only by GGP Employees.

“GGPI” shall have the meaning set forth in the Recitals.

“GGPLP” shall have the meaning set forth in the Preamble.

“GGP Materials” shall have the meaning set forth in Section 3.01(a).

“GGP Overall Service Manager” shall have the meaning set forth in Section 2.04(a).

“GGP Service Manager” shall have the meaning set forth in Section 2.04(a).

“Interest Rate” shall have the meaning set forth in Section 5.01(b).

“Out-of-Pocket Expenses” shall mean, with respect to a particular Service, any out-of-pocket costs, fees and expenses that GGP or any other member of the GGP Group actually pays to an unaffiliated third party in the course of providing such Service, without any additional charge or mark up. The term “Out-of-Pocket Expenses” shall not include any rent, utilities, taxes, clerical support, GGP Employee compensation and benefits or any other general or administrative overhead or other similar costs or expenses.

“Overall Service Managers” shall mean the GGP Overall Service Manager and the Spinco Overall Service Manager.

“Party” shall mean GGP and Spinco individually, and “Parties” means GGP and Spinco collectively, and, in each case, their permitted successors and assigns.

“Representative” shall mean, with respect to any Person, any director, officer, employee, agent, consultant, accountant, auditor, attorney or other representative of such Person.

“Schedule(s)” shall have the meaning set forth in Section 2.02.

“Separation Agreement” shall have the meaning set forth in the Recitals.

“Service Charges” shall have the meaning set forth in Section 5.01(a).

“Service Increases” shall have the meaning set forth in Section 2.03(b).

“Service Resource Cost” shall mean, with respect to a particular Service, (A) an amount equal to the product of (x) the Direct Payroll Cost of the GGP Employee providing the Service multiplied by (y) the number of hours such employee spent performing the Service, or (B) if a different pricing methodology is expressly provided for in the applicable Schedule with respect to such Service, an amount calculated based on such pricing methodology.

“Services” shall have the meaning set forth in Section 2.01.

“Spinco” shall have the meaning set forth in the Preamble.

“Spinco Entities” shall have the meaning set forth in the Recitals.

“Spinco Indemnified Party” shall have the meaning set forth in Section 7.03.

“Spinco Intranet” shall have the meaning set forth in Section 4.02(a).

“Spinco Overall Service Manager” shall have the meaning set forth in Section 2.04(b).

“Spinco Service Manager” shall have the meaning set forth in Section 2.04(b).

ARTICLE II

SERVICES, DURATION AND SERVICE MANAGERS

Section 2.01. Services. Subject to the terms and conditions of this Agreement, GGP shall provide (or cause to be provided) to the Spinco Entities, as requested from time to time by Spinco, the services listed on Schedule A (which may be grouped by type of Services in sub-schedules) to this Agreement (the “Services”). All of the Services shall be for the sole use and benefit of the Spinco Entities as constituted on the Plan Effective Date.

Section 2.02. Duration of Services. Subject to the terms of this Agreement, commencing on the Plan Effective Date, GGP shall provide or cause to be provided to the Spinco Entities each Service until the earlier to occur of, with respect to each such Service, (i) the expiration of the period of the maximum duration for such Service as set forth on the sub-

schedules attached hereto defining such Service (each a "Schedule", and collectively, the "Schedules") and (ii) the date on which such Service is terminated under Section 9.01; provided, however, that Spinco shall use commercially reasonable efforts in good faith to transition itself to a stand-alone entity with respect to each Service during the period for such Service as set forth in the relevant Schedules. In the event that GGP sells, transfers or otherwise disposes of its interest in any of its Subsidiaries that is engaged in providing one or more Services, GGP shall (x) if requested by Spinco, use commercially reasonable efforts to cause such Subsidiary or the acquiror thereof to agree that such Subsidiary will continue to provide such Services to the same extent provided pursuant to the terms of this Agreement or (y) if requested by Spinco, or to the extent the Subsidiary or the acquiror will not agree to provide such Services after GGP's exertion of commercially reasonable efforts pursuant to (x), secure such Services from a reputable and experienced third-party vendor at substantially equivalent service levels for the remaining term of such Services.

Section 2.03. Additional Unspecified Services. (a) After the Plan Effective Date, if Spinco (i) identifies a service that the GGP Entities provided to the Spinco Business prior to the Plan Effective Date that is reasonably necessary in order for the Spinco Business to continue to operate in substantially the same manner in which the Spinco Business operated prior to the Plan Effective Date and is otherwise material to operations of the Spinco Business, and such service was not included on the Schedules, and (ii) provides written notice to GGP within one hundred twenty (120) days following the Plan Effective Date requesting such additional service, then GGP shall, subject to the negotiation of mutually acceptable terms of the applicable Schedule (as described in the next sentence), provide such requested additional service provided that (i) the GGP Entities have adequate resources to provide such service, (ii) such service can be provided without unreasonable disruption to the GGP Entities' businesses and (iii) the provision of such service will not violate (whether directly or by virtue of a cross-default) a material contract or agreement of a GGP Entity or result in a violation of applicable Law (such additional services, the "Additional Services"). In connection with any request for Additional Services in accordance with this Section 2.03(a), the GGP Service Manager and the Spinco Service Manager shall in good faith negotiate the terms of a supplemental Schedule, which terms shall be consistent with the terms of, and the pricing methodology used for, similar Services provided under this Agreement. The Parties shall agree to the applicable Service Charge and the supplemental Schedule shall describe in reasonable detail the nature, scope, service period(s), termination provisions and other terms applicable to such Additional Services. Each supplemental Schedule, as agreed to in writing by the Parties, shall be deemed part of this Agreement as of the date of such Schedule and the Additional Services set forth therein shall be deemed "Services" provided under this Agreement, in each case subject to the terms and conditions of this Agreement.

(b) After the Plan Effective Date, if (i) (x) Spinco requests GGP to increase, relative to historical levels prior to the Plan Effective Date, the volume, amount, level or frequency, as applicable, of any Service provided by GGP and (ii) such increase is reasonably determined by Spinco as necessary for Spinco to operate its businesses (such increases, the "Service Increases"), then GGP shall, subject to the negotiation of mutually acceptable terms of the applicable Schedule (as described in the next sentence), provide the Service Increases in accordance with such request; provided, that GGP shall not be obligated to provide any Service Increase if it does not, in its reasonable judgment, have adequate resources to provide such

Service Increase or if the provision of such Service Increase would significantly disrupt the operation of any of its businesses or violate an existing material contract or agreement or applicable Law. In connection with any request for Service Increases in accordance with this Section 2.03(b), the GGP Service Manager and the Spinco Service Manager shall in good faith negotiate the terms of an amendment to the applicable Schedule, which amendment shall be consistent with the terms of, and the pricing methodology used for, the applicable Service. Each amended Schedule, as agreed to in writing by the Parties, shall be deemed part of this Agreement as of the date of such amendment to the Schedule and the Service Increases set forth therein shall be deemed a part of the "Services" provided under this Agreement, in each case subject to the terms and conditions of this Agreement.

Section 2.04. Transition Service Managers. (a) GGP hereby appoints and designates the individual holding the GGP position set forth on Exhibit II to act as its initial service manager (the "GGP Overall Service Manager"), who will be directly responsible for coordinating and managing the delivery of the Services and have authority to act on GGP's behalf with respect to matters relating to this Agreement. In addition, GGP hereby appoints, with respect to each Service, the individual set forth on the applicable Schedule as its initial service manager (each such manager, a "GGP Service Manager") with respect to such Service, who will be directly responsible for coordinating and managing the delivery of such Service on a day-to-day basis. The GGP Service Managers will work with the personnel of the GGP Entities to periodically address issues and matters raised by Spinco relating to this Agreement. The GGP Overall Service Manager will oversee the GGP Service Managers and will be responsible for coordinating the overall delivery of the Services. Notwithstanding the notice requirements of Section 10.05, all communications from Spinco to GGP pursuant to this Agreement regarding routine matters involving the Services set forth on the Schedules shall be made through the applicable GGP Service Manager, or such other individual as specified by the applicable GGP Service Manager in writing and delivered to Spinco by email or facsimile transmission with receipt confirmed. GGP shall notify Spinco of the appointment of a different GGP Overall Service Manager or GGP Service Manager, if necessary, in accordance with Section 10.05.

(b) Spinco hereby appoints and designates the individual holding the Spinco position set forth on Exhibit II to act as its initial service manager (the "Spinco Overall Service Manager"), who will be directly responsible for coordinating and managing the receipt of the Services and have authority to act on Spinco's behalf with respect to matters relating to this Agreement. In addition, Spinco hereby appoints, with respect to each Service, the individual set forth on the applicable Schedule as its initial service manager (each such manager, a "Spinco Service Manager") with respect to such Service, who will be directly responsible for coordinating and managing the receipt of such Service on a day-to-day basis. The Spinco Service Managers will work with the personnel of Spinco Entities to periodically address issues and matters raised by GGP relating to this Agreement. The Spinco Overall Service Manager will oversee the Spinco Service Managers and will be responsible for coordinating the overall receipt of the Services. Notwithstanding the notice requirements of Section 10.05, all communications from GGP to Spinco pursuant to this Agreement regarding routine matters involving the Services set forth on the Schedules shall be made through the applicable Spinco Service Manager or such other individual as specified by the applicable Spinco Service Manager in writing and delivered to GGP by email or facsimile transmission with receipt confirmed. Spinco shall notify GGP of the appointment of a different Spinco Overall Service Manager or Spinco Service Manager, if necessary, in accordance with Section 10.05.

Section 2.05. Personnel. (a) GGP will make available such appropriately qualified personnel as may be reasonably necessary to provide the Services, and will use reasonable efforts to make available personnel specifically requested by Spinco. Notwithstanding the foregoing, GGP will have the right, in its sole reasonable discretion, to (i) designate which personnel it will assign to perform each Service, and (ii) remove and replace such personnel at any time with personnel of similar qualifications and experience levels, if such action would not reasonably be expected to cause a material increase in costs and/or a material decrease in level of service for Spinco with respect to such Service; provided, however, that GGP will use its commercially reasonable efforts to limit the disruption to Spinco in the transition of the Services to different personnel.

(b) In the event that the provision of any Service by GGP requires, as set forth in the Schedules, the cooperation and services of the applicable personnel of Spinco, Spinco will make available to GGP such personnel (who shall be appropriately qualified for purposes of the provision of such Service by GGP) as may be necessary for GGP to provide such Service.

Section 2.06. No Duplication.

(a) GGP shall not charge any Service Charges under this Agreement or any other amounts for any Services performed by any GGP Employees if, and to the extent that, the employees performing such Services are doing so pursuant to the Employee Leasing Agreement, and the costs of such employees are being reimbursed pursuant thereto.

(b) GGP shall not charge any Service Charges or other amounts for any Services if, and to the extent that, such Service Charges are duplicative of services performed under the Employee Leasing Agreement or the Employee Matters Agreement.

ARTICLE III

GGP MATERIALS

Section 3.01. Corporate Policies. (a) At the Plan Effective Date or reasonably promptly thereafter, GGP shall make available to Spinco its then existing policies and manuals that GGP determines in good faith are reasonably necessary for the operation of the Spinco Business (the "GGP Materials"). Subject to the terms and conditions of this Agreement, GGP grants to Spinco a non-exclusive, royalty-free, fully paid-up, worldwide license to create or have created any derivative works or materials based on the GGP Materials for distribution to employees and suppliers of Spinco and use such materials in the operation of the Spinco Business in substantially the same manner as the GGP Materials were used by GGP prior to the Distribution. It is understood and agreed that GGP makes no representation or warranty, express or implied, as to the accuracy or completeness of any of the GGP Materials, as to the noninfringement of any of the GGP Materials or as to the suitability of any of the GGP Materials for use by Spinco in respect of its business or otherwise. Access to any GGP Materials shall be

limited to those Representatives of Spinco who need access in order to perform their responsibilities.

(b) Notwithstanding the foregoing, the text of any materials related to or based upon any of the GGP Materials created by, for or on behalf of Spinco may not contain any references to the GGP Entities (or any use of the GGP Entities' marks, names, trade dress, logos or other source or business identifiers, including the GGP Name and GGP Marks), the GGP Entities' publications, the GGP Entities' personnel (including senior management), the GGP Entities' management structures or any other indication that in each instance such materials are based upon any of the GGP Materials.

Section 3.02. Limitation on Rights and Obligations with Respect to the GGP Materials.

(a) Spinco acknowledges and agrees that, except as expressly set forth above, GGP reserves all rights (including all Intellectual Property rights) in, to and under the GGP Materials and no rights with respect to ownership or use, except as otherwise expressly provided in this Agreement, shall vest in Spinco.

(b) GGP shall have no obligation to (i) notify Spinco of any changes or proposed changes to any of the GGP Materials, (ii) include Spinco in any consideration of proposed changes to any of the GGP Materials, (iii) provide draft changes of any of the GGP Materials to Spinco for review and/or comment or (iv) provide Spinco with any updated materials relating to any of the GGP Materials except to the extent such changes would affect the provision of Services in accordance with the terms hereof. The Parties acknowledge and agree that the GGP Materials are the Confidential Information of GGP. Spinco shall use at least the same degree of care to prevent and restrain the unauthorized use or disclosure of any materials created by, for or on behalf of Spinco that are based upon any of the GGP Materials as it uses for its other confidential information of a like nature, but in no event less than a reasonable degree of care. Spinco will allow GGP reasonable access to its personnel and information as reasonably necessary to determine Spinco's compliance with the provisions set forth above; provided, however, such access shall not unreasonably interfere with any of the business or operations of Spinco. Subject to Section 8.01, in the event that GGP determines that Spinco has not materially complied with some or all of its obligations with respect to any or all of the GGP Materials, and such noncompliance is not cured within thirty (30) days following Spinco's receipt of written notice thereof from GGP, GGP may terminate Spinco's rights with respect to such GGP Materials upon written notice to Spinco and, in such case, GGP shall be entitled to require such GGP Materials to be returned to GGP or destroyed and any materials created by or for Spinco that are based upon such GGP Materials to be destroyed (with such destruction certified by Spinco in writing to GGP promptly after such termination).

(c) If Spinco determines to cease to avail itself of any of the GGP Materials or upon expiration or termination of any period during which Spinco is permitted to use any of the GGP Materials, GGP and Spinco shall cooperate in good faith to take reasonable and appropriate actions to effectuate such determination, expiration or termination, to arrange for the return to GGP or destruction of such GGP Materials and to protect GGP's rights and interests in such GGP Materials.

ARTICLE IV

OTHER ARRANGEMENTS AND ADDITIONAL AGREEMENTS

Section 4.01. Software and Software Licenses. If and to the extent requested by Spinco, GGP shall use commercially reasonable efforts to (x) obtain permission from third-party licensors of computer software to allow GGP to provide services to Spinco as required hereunder and (y) assist Spinco in its efforts to obtain licenses (or other appropriate rights) to use, duplicate and distribute, as necessary and applicable, certain computer software necessary for GGP to provide, or Spinco to receive, Services (which assistance shall include to the extent appropriate providing Spinco the opportunity to receive a copy of, or participate in, any communication between GGP and the applicable third party licensor in connection therewith); provided, however, that GGP and Spinco shall mutually agree upon the specific types and quantities of any such software licenses; provided, further, that GGP shall not be required to pay any fees or other payments unless such fees and payments are reimbursed fully by Spinco or incur any obligations or liabilities to enable GGP to provide such services or enable Spinco to obtain any such license or rights; provided, further, that GGP shall not be required to seek broader rights or more favorable terms for Spinco than those applicable to GGP prior to the date of this Agreement or as may be applicable to GGP from time to time hereafter; and, provided, further, that Spinco shall bear only those costs that relate directly to obtaining such licenses (or other appropriation rights), which shall not include any payments relating to the discharge of Excluded Liabilities which are not related to the provision of Services. The Parties acknowledge and agree that there can be no assurance that GGP's efforts will be successful or that Spinco will be able to obtain such licenses or rights on acceptable terms or at all and, where GGP enjoys rights under any enterprise or site license or similar license, the Parties acknowledge that such license typically precludes partial transfers or assignments or operation of a service bureau on behalf of unaffiliated entities. In the event that Spinco is unable to obtain such software licenses, the Parties shall work together using commercially reasonable efforts to obtain an alternative software license or modification to an existing GGP license to allow GGP to provide, or Spinco to receive, such Services, and the Parties shall negotiate in good faith an amendment to the applicable Schedule to reflect any such new arrangement, which amended Schedule shall not require Spinco to pay for any fees, expenses or costs relating to the software license that Spinco was unable to obtain pursuant to the provisions of this Section 4.01.

Section 4.02. GGP Computer-Based and Other Resources.

(a) As of the Plan Effective Date, except as otherwise expressly provided in the Separation Agreement, in any Schedule hereto, or in any other Transaction Documents, Spinco and its Subsidiaries shall have no further access to, and GGP shall have no obligation to otherwise provide access to, the GGP Intranet, and Spinco shall have no access to, and GGP shall have no obligation to otherwise provide access to, computer-based resources (including access to GGPI's or its Subsidiaries' computer networks and databases) that require a password or are available on a secured access basis only. Notwithstanding the foregoing, from and after the Plan Effective Date, GGP shall use reasonable efforts to make available to Spinco an intranet (the "Spinco Intranet") accessible by Spinco and its Subsidiaries that contains (i) the GGP Materials and (ii) any materials that GGP determines in good faith that any member of the Spinco Group needs to access in connection with the performance or delivery of any Service.

(b) From and after the Plan Effective Date, Spinco and its Subsidiaries shall cause all of their personnel having access to the GGP Intranet or such other computer software, networks, hardware, technology or computer-based resources pursuant to the Separation Agreement, any Transaction Document or in connection with performance, receipt or delivery of a Service to comply with all reasonable security guidelines (including physical security, network access, Internet security, confidentiality and personal data security guidelines) of GGPI and its Subsidiaries (of which GGP provides Spinco notice). Spinco shall ensure that the access contemplated by this Section 4.02 shall be used by such personnel only for the purposes contemplated by, and subject to the terms of, this Agreement.

Section 4.03. Spinco Computer-Based and Other Resources. From and after the date of this Agreement, GGP and its Subsidiaries shall cause all of their personnel having access to the Spinco Intranet or such other computer software, networks, hardware, technology or computer based resources pursuant to the Separation Agreement, any Transaction Document or in connection with performance, receipt or delivery of a Service to comply with all reasonable security guidelines (including physical security, network access, internet security, confidentiality and personal data security guidelines) of Spinco and its Subsidiaries (of which Spinco provides GGP notice). GGP shall ensure that the access contemplated by this Section 4.03 shall be used by such personnel only for the purposes contemplated by, and subject to the terms of, this Agreement.

Section 4.04. Access. (a) Spinco shall, and shall cause its Subsidiaries to, allow GGP and its Representatives reasonable access to the facilities of Spinco necessary for GGP to fulfill its obligations under this Agreement.

(b) Notwithstanding the other rights of access of the Parties under this Agreement, each Party shall, and shall cause its Subsidiaries to, afford the other Party, its Subsidiaries and Representatives reasonable access, upon reasonable notice, during normal business hours to the facilities, information, systems, infrastructure, and personnel of the other Party as reasonably necessary for the other Party to verify the adequacy of internal controls over information technology, reporting of financial data and related processes employed in connection with the Services, including in connection with verifying compliance with Section 404 of the Sarbanes-Oxley Act of 2002; provided, however, such access shall not unreasonably interfere with any of the business or operations of such Party or its Subsidiaries.

Section 4.05. Insider Trading Policy. Each of the Parties hereby agrees that it will instruct its Representatives that it is a violation of applicable Law for any Representative to purchase or sell securities of the other Party based on non-public information obtained in connection with the performance of this Agreement.

Section 4.06. Cooperation. It is understood that it will require the significant efforts of both Parties to implement this Agreement and to ensure performance of this Agreement by the Parties at the agreed upon levels in accordance with all of the terms and conditions of this Agreement. The Parties will cooperate, acting in good faith and using commercially reasonable efforts, to effect a smooth and orderly transition of the Services provided under this Agreement from GGP to Spinco (including repairs and maintenance Services and the assignment or transfer of the rights and obligations under any third-party contracts relating to the Services) and Spinco

agrees that it will use commercially reasonable efforts to eliminate its need for the Services as quickly as practicable; provided, however, that this Section 4.06 shall not require either Party to incur any out-of-pocket costs or expenses unless and except as expressly provided in this Agreement or otherwise agreed to in writing by the Parties (acknowledging that Spinco will be required to incur costs and expenses in conjunction with eliminating its need for the Services).

ARTICLE V

COSTS AND DISBURSEMENTS

Section 5.01. Costs and Disbursements. (a) Spinco shall pay to GGP a fee for each Service (such fee constituting a "Service Charge" and, the fees for all Services collectively, "Service Charges") equal to the sum of (A) the product of (i) the Cost Multiplier multiplied by (ii) the applicable Service Resource Cost plus (B) the amount of any Out-of-Pocket Expenses incurred with respect to such Service; provided, however, that the Cost Multiplier shall be held constant at 110% for the term of this Agreement with respect to Services in support of the JD Edwards application (including, for the avoidance of doubt, the applicable Services set forth in Schedule A-7: Accounting and Schedule A-10: Information Technology Services), in each case solely to the extent such Services are in support of the JD Edwards application.

(b) GGP shall invoice Spinco for the Service Charges monthly in arrears; provided that the Service Charges shall be pro rated for any partial month. Spinco shall pay the amount of each such invoice by wire transfer or check to GGP within thirty (30) days of the receipt of each such invoice. If Spinco fails to pay such amount (other than any portion of such amount being disputed in good faith in accordance with the terms of this Agreement) by such date, Spinco shall be obligated to pay to GGP, in addition to the amount due, interest thereon at an annual percentage rate of ten percent (10%) (the "Interest Rate") accruing from the date the payment was due through the date of actual payment. Each invoice shall specify, for each type of Service, (A) (i) the aggregate number of hours GGP Employees in each group level set forth on Exhibit I spent performing such Service and (ii) the Direct Payroll Costs for each such group level (or the calculation under a different pricing methodology, as applicable), (B) the Cost Multiplier in effect and (C) any Out-of-Pocket Expenses incurred with respect to such Service. Together with any invoice for Service Charges, GGP shall provide Spinco with data and documentation (including documentation of Out-of-Pocket Expenses) as reasonably requested by Spinco for the purpose of verifying the accuracy of the calculation of such Service Charges; provided, however, that GGP shall provide Spinco with copies of all applicable third-party invoices as soon as reasonably practicable following receipt by GGP, it being understood that GGP's receipt of applicable third-party invoices may be delayed for thirty (30) or more days.

(c) At any time during the term of this Agreement, and for two (2) years after the expiration or termination of this Agreement, Spinco or its auditors or other reputable accounting firm, upon ten (10) business days' prior written notice to GGP, may audit the books and records of the GGP Group relating to this Agreement for the purpose of verifying the Service Charges (at Spinco's sole expense). GGP shall, and shall cause its Affiliates to, reasonably cooperate in such audit, make available on a timely basis the information reasonably required to conduct the review, and assist the designated representatives of Spinco or its auditors as reasonably necessary. GGP shall, and shall cause its Affiliates to, retain all such books and

records relating to this Agreement and the performance of the Services for two (2) years after the expiration or termination of this Agreement or such longer period as may be required by applicable law. GGP shall refund any overcharges or other amounts owed to Spinco, occurring at any time during the term of this Agreement, disclosed by such audit, within thirty (30) days after the completion of such audit.

Section 5.02. Taxes.

(a) Without limiting any provisions of this Agreement, Spinco shall pay any sales, use and other similar taxes imposed on, or payable with respect to, any Services provided to it under this Agreement; provided, however, that Spinco shall not pay, or be responsible for, any applicable income, franchise or gross receipts taxes imposed on, or payable with respect to, the income derived by GGP from providing these Services to Spinco.

(b) Notwithstanding anything to the contrary in Section 5.02(a) or elsewhere in this Agreement, Spinco shall be entitled to withhold from any payments to GGP any such taxes that Spinco is required by law to withhold and shall pay over such taxes to the applicable taxing authority.

Section 5.03. No Right to Set-Off. Spinco shall pay the full amount of Service Charges and shall not set-off, counterclaim or otherwise withhold any amount owed to GGP under this Agreement on account of any obligation owed by GGP to Spinco that has not been finally adjudicated, settled or otherwise agreed upon by the Parties in writing.

ARTICLE VI

STANDARD FOR SERVICE

Section 6.01. Standard for Service. Except where GGP is restricted by an existing Contract with a third party or by Law, GGP agrees (i) to perform the Services such that the nature, quality, standard of care and the service levels at which such Services are performed are no less than that which are substantially similar to the nature, quality, standard of care and service levels at which the same or similar services were performed by or on behalf of GGP prior to the Plan Effective Date (or, if not so previously provided, then substantially similar to that which are applicable to similar services provided to GGP's Subsidiaries or other business components), but in any event, in at least a good and workmanlike manner in accordance with past practice; (ii) upon receipt of written notice from Spinco identifying any outage, interruption or other failure of any Service, to respond to such outage, interruption or other failure of any Services in a manner that is no less than that which is substantially similar to the manner in which GGP or its Subsidiaries responded to any outage, interruption or other failure of the same or similar services prior to the Plan Effective Date (the Parties acknowledge that an outage, interruption or other failure of any Service shall not be deemed to be a breach of the provisions of this Section 6.01 so long as GGP complies with this clause (ii)). As of or following the date of this Agreement, if GGP is or becomes aware of any restriction on GGP by an existing Contract with a third-party that would restrict the nature, quality, standard of care or service levels applicable to delivery of the Services to be provided by GGP to Spinco, GGP shall (x) promptly notify Spinco of any such restriction (which notice shall in any event promptly

follow any change to, or reduction in, the nature, quality, standard of care or service levels applicable to delivery of the Services resulting from such restriction), (y) use commercially reasonable efforts to negotiate an amendment to the Contract to remove such restriction or otherwise obtain the third party's consent to allow the Services to be performed to the standards described in this Section 6.01, and (z) use commercially reasonable efforts to provide such Services in a manner as closely as possible to the standards described in this Section 6.01 while attempting to secure the amendment or consent contemplated by (y). To the extent that GGP is unable to obtain the amendment or consent described above, the Parties shall negotiate in good faith an amendment to the applicable Schedule to reflect any such new arrangement.

Section 6.02. Disclaimer of Warranties. Except as expressly set forth in this Agreement or any Schedule, the Parties acknowledge and agree that the Services are provided as-is, that Spinco assumes all risks and liability arising from or relating to its use of and reliance upon the Services and GGP makes no representation or warranty with respect thereto. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, GGP HEREBY EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES REGARDING THE SERVICES, WHETHER EXPRESS OR IMPLIED, INCLUDING ANY REPRESENTATION OR WARRANTY IN REGARD TO QUALITY, PERFORMANCE, NONINFRINGEMENT, COMMERCIAL UTILITY, MERCHANTABILITY OR FITNESS OF THE SERVICES FOR A PARTICULAR PURPOSE.

Section 6.03. Compliance with Laws and Regulations. Each Party shall be responsible for its own compliance with any and all Laws applicable to its performance under this Agreement. No Party will knowingly take any action in violation of any such applicable Law that results in liability being imposed on the other Party.

ARTICLE VII

LIMITED LIABILITY AND INDEMNIFICATION

Section 7.01. Consequential and Other Damages. Notwithstanding anything to the contrary contained in the Separation Agreement or this Agreement, neither Spinco or its Subsidiaries, on the one hand, nor GGP or its Subsidiaries, on the other hand, shall be liable to the other Party or any of its Subsidiaries or Representatives, whether in contract, tort (including negligence and strict liability) or otherwise, at law or equity, for any special, indirect, incidental or consequential damages whatsoever (including lost profits or damages calculated on multiples of earnings approaches), which in any way arise out of, relate to or are a consequence of, the performance or nonperformance by the Party (including any Subsidiaries and Representatives of such Party and, in the case of GGP, any third-party providers providing the applicable Services) under this Agreement or the provision of, or failure to provide, or termination of, any Services under this Agreement, including with respect to loss of profits, business interruptions or claims of customers (provided, that any liability with respect to a Third Party Claim shall be considered direct damages).

Section 7.02. Limitation of Liability. Subject to Section 7.03, the Liabilities of GGP and its Subsidiaries and Representatives, collectively, under this Agreement for any act or failure to act in connection herewith (including the performance or breach of this Agreement), or

from the sale, delivery, provision, use or termination of any Services provided under or contemplated by this Agreement, whether in contract, tort (including negligence and strict liability) or otherwise, shall not exceed the greater of (a) the total aggregate Service Charges (excluding any Out-of-Pocket Expenses included in such Service Charges) actually paid to GGP by Spinco pursuant to this Agreement and (b) $10,000,000.

Section 7.03. Obligation to Reperform and GGP Indemnity. In the event of any breach of this Agreement by GGP with respect to the provision of any Services, GGP shall (a) promptly correct in all material respects any error or defect resulting in such breach or reperform in all material respects such Services at the request of Spinco and at the sole cost and expense of GGP and (b) subject to the limitations set forth in Sections 7.01 and 7.02, indemnify Spinco and its Subsidiaries and Representatives (each, a "Spinco Indemnified Party") for Liabilities (including direct damages, whether arising out of a Third Party Claim or otherwise) attributable to such breach by GGP; provided, however, that, to the extent any such breach can be cured through reperformance, the reperformance remedy set forth in Section 7.03(a) shall be the sole and exclusive remedy of Spinco for such portion of such breach; provided, further, however, that GGP shall indemnify each Spinco Indemnified Party to the extent any such party incurs indemnifiable losses that cannot be cured through reperformance. Any request for reperformance in accordance with Section 7.03(a) by Spinco must be in writing and specify in reasonable detail the particular error or defect resulting in such breach.

Section 7.04. Release and Spinco Indemnity. Subject to Section 7.01, Section 7.02 and Section 7.03, Spinco hereby releases GGP and its Subsidiaries and Representatives (each, a "GGP Indemnified Party"), and Spinco hereby agrees to indemnify, defend and hold harmless each such GGP Indemnified Party from and against any and all Liabilities arising from, relating to or in connection with the use of any Services by Spinco or any of its Subsidiaries, Representatives or other Persons using such Services, except to the extent that such Liabilities arise out of, relate to or are a consequence of the applicable GGP Indemnified Party's bad faith, gross negligence or willful misconduct.

Section 7.05. Indemnification Procedures. The provisions of Article V of the Separation Agreement shall govern claims for indemnification under this Agreement.

Section 7.06. Liability for Payment Obligations. Nothing in this Article VII shall be deemed to eliminate or limit, in any respect, Spinco's express obligation in this Agreement to pay Service Charges for Services rendered in accordance with this Agreement.

Section 7.07. Exclusion of Other Remedies. The provisions of Sections 7.03 and 7.04 of this Agreement shall be the sole and exclusive remedies for any claim, loss, damage, expense or liability, whether arising from statute, principle of common or civil law, principles of strict liability, tort, contract or otherwise under this Agreement.

ARTICLE VIII

DISPUTE RESOLUTION

Section 8.01. Dispute Resolution.

(a) In the event of any dispute, controversy or claim arising out of or relating to the transactions contemplated by this Agreement, or the validity, interpretation, breach or termination of any provision of this Agreement, or calculation or allocation of the costs of any Service, including claims seeking redress or asserting rights under any Law (each, a "Dispute"), GGP and Spinco agree that the GGP Overall Service Manager and the Spinco Overall Service Manager (or such other Persons as GGP and Spinco may designate) shall negotiate in good faith in an attempt to resolve such Dispute amicably. If such Dispute has not been resolved to the mutual satisfaction of the Overall Service Managers within fifteen (15) days after the initial written notice of the Dispute by one Party to another Party (or such longer period as the Parties may agree), then the respective Chief Executive Officers of GGPI and Spinco shall negotiate in good faith in an attempt to resolve such Dispute amicably. If such Dispute has not been resolved to the mutual satisfaction of the Chief Executive Officers of GGPI and Spinco within fifteen (15) days after the Dispute was referred to them for negotiation (or such longer period as the Parties may agree), then the Dispute shall be resolved in accordance with the dispute resolution process set forth in Sections 7.3 and 7.4 of the Separation Agreement; provided, that such dispute resolution process shall not modify or add to the remedies available to the Parties under this Agreement.

(b) Notwithstanding anything to the contrary in this Agreement, either Party may immediately seek equitable relief (without the necessity of posting a bond) including, without limitation, temporary injunctive relief, against the other Party with respect to any and all equitable remedies sought in connection with this Agreement in accordance with Article VII of the Separation Agreement.

(c) In any Dispute regarding the amount of a Service Charge, if after such Dispute is finally resolved pursuant to the dispute resolution process set forth or referred to in Section 8.01(a), it is determined that the Service Charge that GGP has invoiced Spinco, and that Spinco has paid to GGP, is greater or less than the amount that the Service Charge should have been, then (a) if it is determined that Spinco has overpaid the Service Charge, GGP shall within ten (10) business days after such determination reimburse Spinco an amount of cash equal to such overpayment, plus interest thereon at the Interest Rate accruing from the date of such overpayment to the time of reimbursement by GGP, and (b) if it is determined that Spinco has underpaid the Service Charge, Spinco shall within ten (10) business days after such determination pay GGP an amount of cash equal to such underpayment, plus interest thereon at the Interest Rate accruing from the date of such underpayment (or when such payment was due if not paid at all) to the time of payment by Spinco.

ARTICLE IX

TERM AND TERMINATION

Section 9.01. Term and Termination. (a) This Agreement shall commence immediately upon the Plan Effective Date and shall terminate upon the earlier to occur of: (i) the last date on which either Party is obligated to provide any Service to the other Party and the completion of all other obligations hereunder in accordance with the terms of this Agreement and (ii) the mutual written agreement of the Parties to terminate this Agreement in its entirety. Notwithstanding anything to the contrary contained in this Agreement or any Schedule,

(i) GGP's obligation to provide, or cause to be provided, Services to the Spinco Entities shall terminate, at GGP's sole option, with respect to any Spinco Entity that Spinco, directly or indirectly, sells, or otherwise transfers ownership and control of, to a non-Spinco Entity (e.g., pursuant to equity sale, asset sale, merger or otherwise) and (ii) in no event shall the provision of any Service extend beyond the date that is twenty-four (24) months from the Plan Effective Date.

(b) Without prejudice to Spinco's rights with respect to a Force Majeure, Spinco may from time to time terminate this Agreement with respect to the entirety of any individual Service but not a portion thereof, (A) for any reason or no reason upon providing to GGP the requisite prior written notice for such termination as specified in the applicable Schedule or, if no such notice period is provided in the applicable Schedule, on five (5) days' prior written notice, or (B) if GGP has failed to perform any of its material obligations under this Agreement with respect to such Service, and such failure shall continue to exist thirty (30) days after receipt by GGP of written notice of such failure from Spinco; and (ii) GGP may terminate this Agreement with respect to one or more Services, in whole but not in part, at any time upon prior written notice to Spinco if Spinco has failed to perform any of its material obligations under this Agreement relating to such Services, including making payment of any Service Charges when due, and such failure shall be continued uncured for a period of thirty (30) days after receipt by Spinco of a written notice of such failure from GGP. The relevant Schedule shall be updated to reflect any terminated Service. In the event that any Service is terminated other than at the end of a month, the Service Charge associated with such Service shall be pro-rated as applicable. In the event that Spinco terminates any Service pursuant to clause (A) of this Section 9.01(b), the GGP Group shall have the right to (i) terminate or discontinue any contract or other arrangement with an unaffiliated third party to the extent such contract or arrangement relates to such terminated Service, and any charges and out-of-pocket costs, fees and expenses payable by any member of the GGP Group in connection with the exercise of such right (other than severance obligations or other amounts payable to any GGP Employee) shall be reimbursed by Spinco promptly upon GGP's presentation to Spinco of the applicable third party invoice therefor and (ii) charge Spinco for any applicable Service Charges incurred in connection with the orderly unwinding and transfer of such terminated Service.

(c) Without prejudice to the rights and obligations of the Parties in Section 2.03 and Section 4.06, either Party may from time to time request a reduction in part of the scope or amount of any Service. If requested to do so by the other Party, each Party agrees to discuss in good faith appropriate reductions to the relevant Service Charges in light of all relevant factors including the costs and benefits to the Parties of any such reductions. If, after such discussions, Spinco and GGP do not agree to any requested reduction of the scope or amount of any Service and the relevant Service Charges in connection therewith, then there shall be no change to the scope or amount of any Services or Service Charges under this Agreement. In the event that Spinco and GGP agreed to any reduction of Service and the relevant Service Charges, the relevant Schedule shall be updated to reflect such reduced Service and relevant Service Charges if any. In the event that any Service is reduced other than at the end of a month, the Service Charge associated with such Service for the month in which such Service is reduced shall be pro-rated appropriately.

Section 9.02. Effect of Termination. Upon termination of any Service pursuant to this Agreement, GGP will have no further obligation to provide the terminated Service, and

Spinco will have no obligation to pay any future Service Charges relating to any such Service; provided, that Spinco shall remain obligated to GGP for the Service Charges owed and payable in respect of Services provided prior to the effective date of termination as set forth in the Schedule relating to such Service. In connection with termination of any Service, the provisions of this Agreement not relating solely to such terminated Service shall survive any such termination, and in connection with a termination of this Agreement, Article I, Article VII (including liability in respect of any indemnifiable Liabilities under this Agreement arising or occurring on or prior to the date of termination), Article VIII, Article IX, Article X, all confidentiality obligations under this Agreement and liability for all due and unpaid Service Charges shall continue to survive indefinitely.

Section 9.03. Force Majeure. (a) GGP (and any Person acting on its behalf) shall not have any liability or responsibility for failure to fulfill any obligation under this Agreement so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure; provided, that (i) GGP (or such Person) shall have exercised commercially reasonable efforts to minimize the effect of Force Majeure on its obligations; and (ii) the nature, quality and standard of care that GGP shall provide in delivering a Service after a Force Majeure shall be substantially the same as the nature, quality and standard of care that GGP provides to its Subsidiaries and its other business components with respect to such Service. In the event of an occurrence of a Force Majeure, GGP shall give notice of suspension as soon as reasonably practicable to the other Party stating the date and extent of such suspension and the cause thereof, and GGP shall resume the performance of such obligations as soon as reasonably practicable after the removal of such cause.

(b) During the period of a Force Majeure, Spinco shall be entitled to seek an alternative service provider with respect to such Service(s) and shall be entitled to permanently terminate such Service(s) (and shall be relieved of the obligation to pay Service Charges for such Services(s) throughout the duration of such Force Majeure) if a Force Majeure shall continue to exist for more than fifteen (15) consecutive days, it being understood that Spinco shall not be required to provide any advance notice of such termination to GGP in connection therewith.

ARTICLE X

GENERAL PROVISIONS

Section 10.01. No Agency. Nothing in this Agreement shall be deemed in any way or for any purpose to constitute any Party an agent of another unaffiliated Party in the conduct of such other Party's business. GGP shall act as an independent contractor and not as the agent of Spinco in performing such Services, maintaining control over GGP Employees, GGP's subcontractors and their employees and complying with all withholding of income and other requirements of Law, whether federal, state, local or foreign and no member of the GGP Group shall have any authority to bind any member of the Spinco Group by contract or otherwise.

Section 10.02. Subcontractors. GGP may hire or engage one or more subcontractors to perform any or all of its obligations under this Agreement; provided, that

(i) GGP shall use the same degree of care in selecting any such subcontractor as it would if such contractor was being retained to provide similar services to GGP, (ii) GGP shall in all cases remain primarily responsible for all of its obligations under this Agreement with respect to the scope of the Services, the standard for services as set forth in Article VI and the content of the Services provided to Spinco and (iii) without the prior written consent of the applicable Spinco Service Manager (not to be unreasonably withheld, conditioned or delayed), GGP shall not remove and/or replace any subcontractor if such action would reasonably be expected to cause a material increase in cost with respect to the applicable Service. Notwithstanding the foregoing, (x) Spinco (or any other member of the Spinco Group) shall have the right to hire or engage any subcontractor directly and (y) if GGP does hire or engage any subcontractor to provide any Service hereunder, then, notwithstanding any provision of this Agreement or any other Transaction Document to the contrary, the applicable Service Charge for the provision of such Service performed by such subcontractor shall be only the amount actually paid to such subcontractor for providing such Service, without any additional charge or mark up.

Section 10.03. Treatment of Confidential Information.

(a) The Parties shall not, and shall cause their respective Representatives and all other Persons providing Services or having access to information of the other Party that is known to such Party as confidential or proprietary ("Confidential Information") not to, disclose to any other Person or use, except for purposes of this Agreement, any Confidential Information of the other Party; provided, however, that each Party may disclose Confidential Information of the other Party and to the extent permitted by applicable Law: (i) to its Representatives on a need-to-know basis in connection with the performance of such Party's obligations under this Agreement; (ii) in any report, statement, testimony or other submission required to be made to any Governmental Authority having jurisdiction over the disclosing Party; or (iii) in order to comply with applicable Law, or in response to any summons, subpoena or other legal process or formal or informal investigative demand issued to the disclosing Party in the course of any litigation, investigation or administrative proceeding. In the event that a Party becomes legally compelled (based on advice of counsel) by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar judicial or administrative process to disclose any Confidential Information of the other Party, such disclosing Party shall provide the other Party with prompt prior written notice of such requirement, and, to the extent reasonably practicable, cooperate with the other Party (at such other Party's expense) to obtain a protective order or similar remedy to cause such Confidential Information not to be disclosed, including interposing all available objections thereto, such as objections based on settlement privilege. In the event that such protective order or other similar remedy is not obtained, the disclosing Party shall furnish only that portion of the Confidential Information that has been legally compelled, and shall exercise its commercially reasonable efforts (at such other Party's expense) to obtain assurance that confidential treatment will be accorded such Confidential Information.

(b) Each Party shall, and shall cause its Representatives to protect the Confidential Information of the other Party by using the same degree of care to prevent the unauthorized disclosure of such as the Party uses to protect its own confidential information of a like nature but in any event not less than reasonable means.

(c) Each Party shall cause its Representatives to agree to be bound by the same restrictions on use and disclosure of Confidential Information as are binding upon such Party in advance of the disclosure of any such Confidential Information to them.

(d) The restrictions set forth in Sections 10.03(a) and (b) shall not prevent either Party from disclosing Confidential Information which belongs to that Party or (a) is in or enters the public domain without breach of this Agreement or any other Transaction Document, (b) the receiving Party was lawfully and demonstrably in possession of prior to first receiving it from the disclosing Party, (c) the receiving Party can demonstrate was developed by the receiving Party independently and without use of or reference to the disclosing Party's Confidential Information, (d) the receiving Party receives from a third party without restriction on disclosure and without breach of a nondisclosure obligation, or (e) is approved by the other Party for disclosure.

(e) Each Party shall comply with all applicable state, federal and foreign privacy and data protection Laws that are or that may in the future be applicable to the provision of Services under this Agreement.

Section 10.04. Further Assurances. Each Party covenants and agrees that, without any additional consideration, it shall execute and deliver any further legal instruments and perform any acts that are or may become necessary to effectuate this Agreement.

Section 10.05. Notices. Except with respect to routine communications by the GGP Service Managers and Spinco Service Managers under Section 2.04, all notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic transmission with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 10.05):

(i) if to GGP:

General Growth Properties, Inc.
110 N. Wacker Drive
Chicago, IL 60606
Attention: General Counsel
Facsimile: (312) 960-5485

(ii) if to Spinco:

Spinco, Inc.
[INSERT ADDRESS]

(iii) in each case, with a copy to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Attention: Gary Holtzer and Marcia Goldstein
Facsimile: (212) 310-8007

Section 10.06. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

Section 10.07. Entire Agreement. Except as otherwise expressly provided in this Agreement, this Agreement, the Separation Agreement and the other Transaction Documents constitute the entire agreement of the Parties with respect to the subject matter of this Agreement and supersede all prior agreements and undertakings, both written and oral, between or on behalf of the Parties with respect to the subject matter of this Agreement.

Section 10.08. No Third-Party Beneficiaries. Except as provided in Article VII with respect to GGP Indemnified Parties, this Agreement is for the sole benefit of the Parties and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person, including any union, any current or former GGP Employee or any current or former employee of Spinco, any legal or equitable right, benefit or remedy of any nature whatsoever, including any rights of employment for any specified period, under or by reason of this Agreement.

Section 10.09. Governing Law. This Agreement (and any claims or disputes arising out of or related to this Agreement or to the transactions contemplated by this Agreement or to the inducement of any Party to enter into this Agreement or the transactions contemplated by this Agreement, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall in all respects be governed by, and construed in accordance with, the Laws of the State of New York, including all matters of construction, validity and performance, in each case without reference to any conflict of Law rules that might lead to the application of the Laws of any other jurisdiction.

Section 10.10. Amendment. No provision of this Agreement, including any Schedules to this Agreement, may be amended, supplemented or modified except by a written instrument making specific reference to this Agreement or any such Schedules to this Agreement, as applicable, signed by all the Parties.

Section 10.11. Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (a) words in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include the other gender as the context requires; (b) references to the terms Article, Section, paragraph and Schedule are references to the Articles, Sections, paragraphs and Schedules of this Agreement unless otherwise specified; (c) references to “$” shall mean U.S. dollars; (d) the word “including” and words of similar import when used in this Agreement shall mean “including without limitation,” unless otherwise specified; (e) the word “or” shall not be exclusive; (f) references to “written” or “in writing” include in electronic form; (g) provisions shall apply, when appropriate, to successive events and transactions; (h) the headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement; (i) GGP and Spinco have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or burdening either Party by virtue of the authorship of any of the provisions in this Agreement or any interim drafts of this Agreement; (j) a reference to any Person includes such Person’s successors and permitted assigns; (k) any reference to “days” means calendar days unless business days are expressly specified; and (l) when calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded, if the last day of such period is not a business day, the period shall end on the next succeeding business day.

Section 10.12. Counterparts. This Agreement may be executed in one or more counterparts, and by each Party in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of this Agreement.

Section 10.13. Assignability. (a) This Agreement shall not be assigned by operation of Law or otherwise without the prior written consent of GGP and Spinco, except that each Party may:

(i) assign all of its rights and obligations under this Agreement to any of its Subsidiaries; provided, that no such assignment shall release GGP or Spinco, as the case may be, from any liability or obligation under this Agreement;

(ii) in connection with the divestiture of any Subsidiary or business of Spinco to an acquiror that is not a Competitor of GGP, assign to the acquiror of such Subsidiary or business its rights and obligations as a recipient with respect to the Services provided to such divested Subsidiary or business under this Agreement; provided, that (i) no such assignment shall release GGP or Spinco, as the case may be, from any liability or obligation under this Agreement, (ii) any and all costs and expenses incurred by either Party in connection with such assignment (including in connection with clause (iii) of this proviso) shall be borne solely by the assigning Party, and (iii) the Parties shall in good faith negotiate any amendments to this

Agreement, including the Annexes and Schedules to this Agreement, that may be necessary or appropriate in order to assign such Services; and

(iii) in connection with the divestiture of any Subsidiary or business of Spinco to an acquiror that is a Competitor of GGP, assign to the acquiror of such Subsidiary or business its rights and obligations as a recipient with respect to the Services provided to such divested Subsidiary or business under this Agreement; provided, that (i) no such assignment shall release GGP or Spinco, as the case may be, from any liability or obligation under this Agreement, (ii) any and all costs and expenses incurred by either Party in connection with such assignment (including in connection with clause (iii) of this proviso) shall be borne solely by the assigning Party, (iii) the Parties shall in good faith negotiate any amendments to this Agreement, including the Annexes and Schedules to this Agreement, that may be necessary or appropriate in order to ensure that such assignment will not (x) materially and adversely affect the businesses and operations of each of the Parties and their respective Subsidiaries or (y) create a competitive disadvantage for GGP with respect to an acquiror that is a Competitor of GGP, and (iv) GGP shall not be obligated to provide any such assigned Services to an acquiror that is a Competitor of GGP if the provision of such assigned Services to such acquiror would disrupt the operation of such GGP's businesses or create a competitive disadvantage for such GGP with respect to such acquiror.

(b) In the event of the (i) merger, amalgamation or consolidation of Spinco and another Person, (ii) sale of all or substantially all of the assets of Spinco to another Person, (iii) the acquisition of a majority of the voting stock of Spinco by any Person or "group" (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) or (iv) the election of, or appointment to, the board of directors of Spinco of directors constituting a majority of the directors then serving if such elected or appointed directors have not been nominated as directors by the Nominating Committee of the board of directors prior to their election or appointment, then the requirement of GGP to provide Services hereunder shall automatically terminate without further action by the Parties thirty (30) days after the occurrence of such event.

Section 10.14. Waiver of Jury Trial. EACH PARTY TO THIS AGREEMENT WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER; AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTY TO THIS AGREEMENT HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER TRANSACTION AGREEMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.14.

Section 10.15. Specific Performance. The provisions of Section 7.4 of the Separation Agreement shall govern specific performance under this Agreement.

Section 10.16. Non-Recourse. Other than the GGP Group and the Spinco Group, no past, present or future director, officer, employee, incorporator, member, partner, stockholder, Affiliate, agent, attorney or representative of either GGP or Spinco or their Subsidiaries shall have any liability for any obligations or liabilities of GGP or Spinco, respectively, under this Agreement or for any claims based on, in respect of, or by reason of, the transactions contemplated by this Agreement.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

GGP LIMITED PARTNERSHIP

By: ______________________________

Name:
Title:

GENERAL GROWTH MANAGEMENT, INC.

By: ______________________________
Name:
Title:

SPINCO, INC.

By: ______________________________
Name:
Title:

Signature Page to Transition Services Agreement

Exhibit 10.4

EXECUTION VERSION

SPINCO, INC.

- and -

BROOKFIELD ADVISORS LP

MANAGEMENT SERVICES AGREEMENT

August 6, 2010

TABLE OF CONTENTS

MANAGEMENT SERVICES AGREEMENT

THIS AGREEMENT is made as of the 6th day of August, 2010 (the "**Effective Date**")

B E T W E E N:

SPINCO, INC. (the "**Company**"), a corporation existing under the laws of the State of Delaware

- and -

BROOKFIELD ADVISORS LP
(the "**Manager**"), a limited partnership existing under the laws of the Province of Manitoba.

RECITALS:

Commencing on April 16, 2009, General Growth Properties, Inc. ("**GGP**"), the indirect parent of the Company, and its debtor affiliates filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**") (jointly administered under Case No. 09-11977 (ALG)) (the "**Bankruptcy Cases**");

On May 7, 2010, the Bankruptcy Court entered the *Order Pursuant to Sections 105(a) and 363 of the Bankruptcy Code (A) Approving Bidding Procedures, (B) Authorizing the Debtors to Enter Into Certain Agreements, (C) Approving the Issuance of Warrants, and (D) Granting Related Relief* (Docket No. 5145) authorizing GGP, among other things, to enter into that certain Cornerstone Investment Agreement, dated as of March 31, 2010 and as amended from time to time, with REP Investments LLC, an affiliate of the Manager (the "**Investment Agreement**");

The transaction contemplated by the Investment Agreement provides for, among other things, the spin-off of certain assets from GGP into a new public company to be created pursuant to the chapter 11 plan contemplated by the Investment Agreement (the "**Spin-off**"), with such Spin-off to be effected by means of a distribution of the shares of common stock of the Company to the holders of common stock of GGP;

In preparation for and following the Spin-off, the Company wishes to engage the Manager to provide to the Service Recipients, or arrange for the provision of, certain services, subject to the terms and conditions of this Agreement, and the Manager wishes to accept such engagement.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, except where the context otherwise requires, the following terms shall have the following meanings:

1.1.1 "**Affiliate**" means, with respect to a Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls or is Controlled by such Person, or is under common Control of a third Person;

1.1.2 "**Agreement**" means this Management Services Agreement as the same may be amended from time to time, and "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and include every instrument supplemental or ancillary to this Agreement and, except where the context otherwise requires, not to any particular article or section thereof;

1.1.3 “**Bankruptcy Cases**” has the meaning assigned thereto in the recitals;

1.1.4 “**Bankruptcy Closing**” has the meaning assigned thereto in Section 1.10;

1.1.5 “**Bankruptcy Court**” has the meaning assigned thereto in the recitals;

1.1.6 “**Base Fee Rate”** means the monthly equivalent of 1.0% (100 basis points) annually;

1.1.7 “**Base Management Fee**” has the meaning assigned thereto in Section 6.1 hereof;

1.1.8 “**Board**” means the board of directors of the Company;

1.1.9 “**Business**” means, collectively, the business carried on or contemplated to be carried on from time to time by the Spinco Group;

1.1.10 “**Business Day**” means any day, other than a Saturday, a Sunday or any legal holiday recognized as such by the government of the Province of Ontario, the federal government of the United States or the government of the State of New York;

1.1.11 “**Claims**” has the meaning assigned thereto in Section 8.1.1;

1.1.12 “**Common Interest Agreement**” means that certain Common Interest and Confidentiality Agreement, dated as of June 18, 2010, by and between General Growth Properties, Inc., Brookfield Asset Management, Inc. and the individuals signatory thereto;

1.1.13 “**Confidential Information**” has the meaning assigned thereto in Section 5.2.2;

1.1.14 “**Control**” means the control by one Person of another Person in accordance with the following: a Person (“A”) controls another Person (“B”) where A has the power to

determine the management and policies of B by contract or status (for example the status of A being the general partner of B) or by virtue of beneficial ownership of a majority of the voting interests in B; and for certainty and without limitation, if A owns shares to which more than 50% of the votes permitted to be cast in the election of directors to B or A is the general partner of B, a limited partnership, then in each case A Controls B for this purpose;

1.1.15 “**delegatee**” has the meaning assigned thereto in Section 2.2;

1.1.16 “**Effective Date**” has the meaning assigned thereto in the preamble;

1.1.17 **“Extension Term Fee”** means that monthly fee agreed to by the parties hereto, negotiating in good faith, consistent with the asset management compensation structure (including annual fee and related incentives) that the Manager is then receiving from other non-controlled companies of similar size and complexity for which it provides similar management services.

1.1.18 “**GGP**” has the meaning assigned thereto in the recitals;

1.1.19 “**Governmental Authority**” means any (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (b) self-regulatory organization or stock exchange, (c) subdivision, agent, commission, board, or authority of any of the foregoing, or (d) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

1.1.20 **“Indemnified Party**” has the meaning assigned thereto in Section 8.1;

1.1.21 “**Indemnifying Party**” has the meaning assigned thereto in Section 8.1;

1.1.22 “**Interest Rate**” means the prime rate of interest quoted in *The Wall Street Journal* from time to time plus two percent;

1.1.23 “**Investment Agreement**” has the meaning assigned thereto in the recitals;

1.1.24 “**Laws**” means all laws (including common law), statutes, regulations, statutory rules, by-laws, orders, ordinances, directives and the terms and conditions of any approvals, permits, licenses or judgements of any Governmental Authority, together with any applicable enforceable published notes, guidelines or policies, and the term “applicable”, with respect to such Laws and in the context that refers to one or more Persons, means such Laws that apply to such Person or Persons or its or their business, undertaking, property or securities at the relevant time and that emanate from a Governmental Authority having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

1.1.25 “**Liabilities**” has the meaning assigned thereto in Section 8.1.1;

1.1.26 “**Manager**” has the meaning set forth in the recitals hereto;

1.1.27 “**Material Agreement**” means any contract, lease, license, agreement or other document or instrument binding upon any member of the Spinco Group or affecting the Real Estate Assets which includes obligations the performance or non-performance of which could reasonably be expected to have a material impact on the results of operations or the financial condition of the Spinco Group;

1.1.28 “**Non-Disclosure Agreement**” means that certain Non-Disclosure Agreement, dated as of February 27, 2010, by and between General Growth Properties, Inc. and Brookfield Asset Management, Inc.;

1.1.29 “**Officers**” has the meaning assigned thereto in Section 4.2.1;

1.1.30 “**Payment Date**” has the meaning assigned thereto in Section 6.1;

1.1.31 “**Person**” means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

1.1.32 “**Service Recipient(s)**” means any member of the Spinco Group that is a recipient of Services;

1.1.33 “**Services**” has the meaning assigned thereto in Section 3.1;

1.1.34 “**Spinco Group**” means, collectively, the Company, and any direct or indirect Subsidiary of the Company;

1.1.35 “**Spin-off**” has the meaning assigned thereto in the recitals;

1.1.36 “**Subsidiary**” means, with respect to any Person, (i) any other Person that is directly or indirectly Controlled by such Person, (ii) any trust in which such Person holds all of the beneficial interests or (iii) any partnership, limited liability company or similar entity in which such Person holds all of the interests other than the interests of any general partner, managing member or similar Person; and

1.1.37 “**Term**” means the Initial Term and any Extension Term.

1.2 Headings and Table of Contents

The inclusion of headings and a table of contents in this Agreement are for convenience of reference only and shall not affect the construction or interpretation hereof.

1.3 Interpretation

In this Agreement, unless the context otherwise requires:

1.3.1 words importing the singular include the plural and vice versa, words importing gender include all genders or the neuter;

1.3.2 words importing the neuter include all genders; and

1.3.3 references to a party or parties includes that party’s or those parties’ successors and permitted assigns.

1.4 Currency

All amounts in this Agreement are stated and shall be paid in U.S. currency.

1.5 Generally Accepted Accounting Principles

In this Agreement, except to the extent otherwise expressly provided, references to “generally accepted accounting principles” mean the generally accepted accounting principles used by the Company in preparing its financial statements from time to time.

1.6 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties shall engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

1.7 Entire Agreement

Except as expressly provided for herein, this Agreement, the Non-Disclosure Agreement and the Common Interest Agreement constitute the entire agreement between the parties pertaining to the subject matter of this Agreement. There are no warranties, conditions, or representations (including any that may be implied by statute) and there are no agreements in connection with such subject matter except as specifically set forth or referred to in this Agreement, the Non-Disclosure Agreement or the Common Interest Agreement. No reliance is placed on any warranty, representation, opinion, advice or assertion of fact made either prior to, contemporaneous with, or after entering into this Agreement, or any amendment or supplement thereto, by any party to this Agreement or its directors, officers, employees or agents, to any other party to this Agreement or its directors, officers, employees or agents, except to the extent that the same has been reduced to writing and included as a term of this Agreement, and none of the parties to this Agreement has been induced to enter into this Agreement or any amendment or supplement by reason of any such warranty, representation, opinion, advice or assertion of fact.

Accordingly, there will be no liability, either in tort or in contract, assessed in relation to any such warranty, representation, opinion, advice or assertion of fact, except to the extent contemplated above.

1.8 Waiver; Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement will be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement will constitute a waiver of any other provision nor will any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

1.9 Governing Law

This Agreement, its negotiation, execution, performance or nonperformance, interpretation, termination and construction and all matters based upon, arising out of or related to any of the foregoing (whether in equity, law or statute) will be governed by and construed in accordance with the internal laws of the State of New York, without regard to the conflicts of law principles of such State.

1.10 Jurisdiction; Venue

Any dispute, controversy or claim arising out of or relating to this Agreement or the provision of the Services that arises prior to the later of the closing of the Bankruptcy Case for GGP or the closing of the Bankruptcy Case for GGP Limited Partnership (such later time, the "**Bankruptcy Closing**") shall be subject to the jurisdiction of and determination by the Bankruptcy Court, and any dispute, controversy or claim arising out of or relating to this Agreement or the provision of the Services that arises after the Bankruptcy Closing shall be subject to the jurisdiction of and determination by the United States District Court for the Southern District of New York. Each of the parties hereto (a) consents to the exclusive personal jurisdiction of the Bankruptcy Court (prior to the Bankruptcy Closing) or the United States District Court for the Southern District of New York (after the Bankruptcy Closing) in connection with any dispute arising out of or relating to this Agreement or the provision of the Services, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from such courts and (c) agrees that it will not bring any action relating to this Agreement or the provision of the Services in any court other than the Bankruptcy Court (prior to the Bankruptcy Closing) or the United States District Court for the Southern District of New York (after the Bankruptcy Closing), unless such court first determines it does not have subject matter jurisdiction or otherwise declines to hear the dispute. Manager hereby appoints as its agent for receipt of service of process: Brookfield Asset Management LLC, 3 World Financial Center, 200 Vesey Street, 11th Floor, New York, NY 10281.

ARTICLE 2
APPOINTMENT OF THE MANAGER

2.1 Appointment and Acceptance

2.1.1 Subject to and in accordance with the terms, conditions and limitations in this Agreement, the Company, on its own behalf and as agent for the other members of the Spinco Group, hereby appoints and retains the Manager to provide the Services subject to the oversight of the Board.

2.1.2 The Manager hereby accepts the appointment provided for in section 2.1.1 and agrees to act in such capacity and to provide or arrange for the provision of the Services upon the terms set forth in this Agreement.

2.2 Subcontracting and Other Arrangements

The Manager may subcontract to any of its Affiliates or, with the Company's prior written consent (not to be unreasonably withheld), other third parties (any such parties referred to as a "**delegatee**") any or all of the Services to be provided by it under this Agreement, and the Company hereby consents to any such subcontracting; provided that the Manager shall remain responsible to the Company for any Services provided by such delegatee. Where appropriate in this Agreement, all references to the Manager will include the permitted delegatees where the context makes it appropriate.

2.3 Spinco Subsidiaries

The Company covenants and agrees to cause, upon request of the Manager, any or all present or subsequently acquired Subsidiaries who are at any time a Service Recipient to execute such documentation and take such further action as may be necessary or desirable to accomplish the purposes of this Agreement or the agreements or arrangements contemplated by this Agreement.

ARTICLE 3
SERVICES AND POWERS OF THE MANAGER

3.1 Services

The Manager shall provide the following services (the "**Services**") to the Company and other members of the Spinco Group as requested by the Company:

3.1.1 providing such services as are reasonably necessary or requested by the Board in order to accomplish the Spin-off;

3.1.2 providing overall strategic advice in relation to the Business, including oversight of detailed asset plans for each of the Company's material assets;

3.1.3 making recommendations for the development of projects, establishment of joint ventures, sales or other similar transactions and overseeing the execution of such transactions;

3.1.4 overseeing the preparation and implementation of an annual business plan, including an annual capital expenditure plan and overseeing the preparation and implementation of other strategic or long term plans as required for the Business;

3.1.5 making recommendations concerning current and future financing requirements of the Business and overseeing such financing, whether completed by way of indebtedness, equity or otherwise, including in respect of the preparation, review or distribution of any registration statement or offering memorandum related thereto and assisting with communications support in connection therewith;

3.1.6 making recommendations concerning potential acquisitions or corporate transactions and overseeing the execution of such transactions;

3.1.7 making available qualified individuals to act as senior executives of the Company in furtherance of the provision of Services, including as provided in Section 4.2;

3.1.8 overseeing corporate functions, including accounting and management reporting, information systems, tax preparation and other corporate functions, to be provided on a transitional basis by certain Subsidiaries of GGP following the Spin-off, and developing and overseeing implementation of a long term plan for such functions following termination of the transition services agreement;

3.1.9 advising and assisting the Company and its Subsidiaries to establish, maintain and implement appropriate policies and procedures designed to ensure compliance with:

3.1.9.1 the requirements of securities and other Laws, including the Sarbanes-Oxley Act, or any permits and other obligations imposed by any Governmental Authority affecting the Business or the Company;

3.1.9.2 the annual business plan;

3.1.9.3 any other obligations by which the Company or its Subsidiaries is bound, including, for greater clarity, obligations under Material Agreements;

3.1.10 advising and assisting with regard to community and investor relations of the Company and its Subsidiaries; and

3.1.11 advising and assisting with respect to the listing of the Company's common stock on a national securities exchange.

ARTICLE 4
MANAGEMENT AND EMPLOYEES

4.1 Management and Employees

4.1.1 The Manager shall ensure that its officers and employees devote such of their time to the provision of the Services as the Manager reasonably deems necessary and appropriate, in order to fulfill its obligations hereunder. Such personnel need not have as their primary responsibility the provision of the Services to the Service Recipients or be dedicated exclusively to the provision of the Services.

4.1.2 The Company shall, and shall cause other members of the Spinco Group to, do all things reasonably necessary on its part as requested by the Manager consistent with the terms of this Agreement to enable the Manager to fulfill its obligations under this Agreement including without limitation, making available to the Manager, and granting the Manager access to, the employees or contractors of the Service Recipients as the Manager may from time to time reasonably request in order for the Manager to perform its obligations, covenants and responsibilities and exercise its rights pursuant to the terms hereof.

4.1.3 For greater certainty, where the Manager is unable to satisfy an obligation under this Agreement, as a direct or indirect result of a failure by a Service Recipient to satisfy its obligations under this Article 4 or Section 5.2, the Manager shall be deemed not to be in breach of its obligations under this Agreement.

4.2 Spinco Officers

4.2.1 Effective as of the Effective Date, the Manager shall make available the individuals listed on Exhibit A to act as duly elected officers of the Company in the capacity or capacities set forth opposite their respective names on Exhibit A (the "**Officers**"), to serve as such until their successors are duly elected or their earlier death, resignation or removal from office.

4.2.2 The Manager shall have the right, from time to time during the Term, upon not less than 10 days' prior written notice to the Company, to replace any Officer with an individual having similar qualifications and experience level, in the Manager's reasonable discretion. The Company shall have the right, at any time and from time to time, to remove any Officer for cause, which shall include (a) willfully disregarding any Board directive or (b) failure to perform his or her duties in accordance with standards reasonably established by the Board from time to time.

4.2.3 The Manager acknowledges that the Officers will be required to report to the Board, will be fiduciaries of the Company and its shareholders in accordance with Delaware law, and, in the case of the Chief Executive Officer and Chief Financial Officer, will act as the "principal executive officer" and "principal financial officer", respectively, of the Company under applicable SEC rules and regulations. The Manager further acknowledges that the Board retains authority to make ultimate decisions with respect to Company policies and strategic matters. The Manager agrees to report to the

Board at least quarterly, at regularly scheduled meetings, with respect to the progress of the Services.

4.2.4 If the Board reasonably determines that it is necessary or advisable in order to achieve tax-free treatment for the Spin-off, the Manager will use reasonable commercial efforts to cause the Officers and other employees of the Manager or its Affiliates mutually agreed by the Manager and the Company who are providing Services to become part-time employees of the Company.

ARTICLE 5
INFORMATION AND RECORDS

5.1 Books and Records

The Company shall, and shall cause the other Service Recipients to, maintain proper books, records and documents in which complete, true and correct entries, in conformity in all material respects with generally accepted accounting principles and all requirements of applicable Laws, will be made; provided that the Manager acknowledges that the Officers will have primary responsibility for oversight of such books, records and documents and to ensure that policies and procedures are in place for compliance with Law applicable thereto.

5.2 Access to Information by Manager; Confidentiality

5.2.1 The Company shall, and shall cause other members of the Spinco Group to:

5.2.1.1 grant, or cause to be granted, to the Manager full access to all documentation and information necessary in order for the Manager to perform its obligations, covenants and responsibilities pursuant to the terms hereof, including all of the books, records, documents and financial and operating data of the Service Recipients required to be maintained under Section 5.1 and to enable the Manager to provide the Services; and

5.2.1.2 provide, or cause to be provided, all documentation and information as may be reasonably requested by the Manager, and promptly notify the appropriate member of the Manager of any material facts or information of which any Service Recipient is aware, which may affect the performance of the obligations, covenants or responsibilities of the Manager pursuant to this Agreement, including maintenance of proper financial records, including any known, pending or threatened suits, actions, claims, proceedings or orders by or against the Service Recipients, before any court or administrative tribunal.

5.2.2 The Manager shall not, and shall cause its officers, employees and delegatees having access to information of the Company that is known to the Manager as confidential or proprietary ("**Confidential Information**") not to, disclose to any other Person or use, except for purposes of providing the Services, any Confidential Information; provided, however, that the Manager may disclose Confidential Information to the extent permitted by applicable Law: (i) to its delegatees on a need-to-know basis in connection with the performance of the Services under this Agreement; (ii) in any report,

statement, testimony or other submission required to be made to any Governmental Authority having jurisdiction over the Manager; or (iii) in order to comply with applicable Law, or in response to any summons, subpoena or other legal process or formal or informal investigative demand issued to the Manager in the course of any litigation, investigation or administrative proceeding.

5.2.3 The Manager shall, and shall cause its officers, employees and delegatees to, protect the Confidential Information by using the same degree of care to prevent the unauthorized disclosure of such Confidential Information as the Manager uses to protect its own confidential information of a like nature.

5.2.4 Each party shall comply with all applicable state, federal and foreign privacy and data protection Laws that are or that may in the future be applicable to the provision of Services under this Agreement. The Manager hereby agrees that it will not, and will instruct its officers, employees and delegatees that it is a violation of applicable Law for any such person to, purchase or sell securities of the Company based on non-public information obtained in connection with the performance of Services.

ARTICLE 6
FEES AND EXPENSES

6.1 Base Management Fee

6.1.1 As compensation for the Services to be provided by the Manager pursuant to the terms of this Agreement, the Company hereby covenants and agrees to pay to the Manager a base management fee (the "**Base Management Fee**") in an amount equal to

6.1.1.1 For the Initial Term, $500,000 per month paid monthly in advance within five Business Days following the beginning of each month (the "**Payment Date**"); and

6.1.1.2 During the Extension Term (if any) a monthly fee payable within five Business Days of the beginning of the relevant month in an amount equal to the Extension Term Fee.

6.2 Expenses

6.2.1 The Company shall reimburse the Manager for all reasonable out-of-pocket fees, costs and expenses owed to any third party ("**Expenses**") incurred by the Manager in connection with the provision of the Services, which may include, among other things:

6.2.1.1 taxes, licenses and other statutory fees or penalties levied against or in respect of a Service Recipient in respect of the Services;

6.2.1.2 amounts paid by the Manager under indemnification, contribution or similar arrangements entered into in connection with the provision of Services with the prior approval of the Board;

6.2.1.3 any other fees, costs and expenses that are reasonably necessary for the performance by the Manager of its duties and functions under this Agreement.

6.3 Governmental Charges

Without limiting Section 6.2, the Company shall pay or reimburse the Manager for all sales, use, value added, goods and services, withholding or other taxes, customs duties or other governmental charges ("**Governmental Charges**") which are levied or imposed by any Governmental Authority by reason of this Agreement, except for any income taxes, corporation taxes, capital taxes or other similar taxes payable by the Manager which are personal to the Manager. Any failure by the Manager to collect monies on account of these Governmental Charges shall not constitute a waiver of the right to do so.

6.4 Computation and Payment of Expenses and Governmental Charges

The Manager shall, from time to time, prepare statements ("**Expense Statement(s)**") documenting the Expenses and Governmental Charges to be reimbursed pursuant to this Article 6 and shall deliver such statement to each relevant Service Recipient. All Expenses and Governmental Charges reimbursable pursuant to this Article 6 shall be reimbursed by the relevant Service Recipient no later than the date which is 30 days after receipt of the Expense Statement. The provisions of this Section 6.4 shall survive the termination of this Agreement.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties of the Manager

The Manager hereby represents and warrants to the Company that:

7.1.1 it is validly organized and existing under the relevant laws governing its formation and existence;

7.1.2 it has the power, capacity and authority to enter into this Agreement and to perform its duties and obligations hereunder;

7.1.3 it has taken all necessary action to authorize the execution, delivery and performance of this Agreement;

7.1.4 the execution and delivery of this Agreement by it and the performance by it of its obligations hereunder do not and will not contravene, breach or result in any default under its constituent documents or other organizational documents, or under any mortgage, lease, agreement or other legally binding instrument, license, permit or applicable law to which it is a party or by which it or any of its properties or assets may be bound;

7.1.5 no authorization, consent or approval, or filing with or notice to any Person is required in connection with the execution, delivery or performance by it of this Agreement; and

7.1.6 this Agreement constitutes a valid and legally binding obligation of it enforceable against it in accordance with its terms, subject to (i) applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and other laws of general application limiting the enforcement of creditors' rights and remedies generally and (ii) general principles of equity, including standards of materiality, good faith, fair dealing and reasonableness, equitable defenses and limits as to the availability of equitable remedies, whether such principles are considered in a proceeding at law or in equity.

7.2 Representations and Warranties of the Company

The Company hereby represents and warrants to the Manager that:

7.2.1 it is validly organized and existing under the relevant laws governing its formation and existence;

7.2.2 subject to receipt of approval from the Bankruptcy Court, it has the power, capacity and authority to enter into this Agreement and to perform its duties and obligations hereunder;

7.2.3 it has taken all necessary action to authorize the execution, delivery and performance of this Agreement;

7.2.4 the execution and delivery of this Agreement by it and the performance by it of its obligations hereunder do not and will not contravene, breach or result in any default under its charter, by-laws, constituent documents or other organizational documents, or under any mortgage, lease, agreement or other legally binding instrument, license, permit or applicable law to which it is a party or by which it or any of its properties or assets may be bound;

7.2.5 no authorization, consent or approval, or filing with or notice to any Person (other than filing with, and approval by, the Bankruptcy Court) is required in connection with the execution, delivery or performance by it of this Agreement; and

7.2.6 subject to receipt of approval from the Bankruptcy Court, this Agreement constitutes a valid and legally binding obligation of it enforceable against it in accordance with its terms, subject to: (i) applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and other laws of general application limiting the enforcement of creditors' rights and remedies generally; and (ii) general principles of equity, including standards of materiality, good faith, fair dealing and reasonableness, equitable defenses and limits as to the availability of equitable remedies, whether such principles are considered in a proceeding at law or in equity.

ARTICLE 8
LIABILITY AND INDEMNIFICATION

8.1 Indemnity

8.1.1 The Company (for purposes of this Article, an "**Indemnifying Party**") hereby agrees, to the fullest extent permitted by applicable Law, to indemnify and hold harmless each of the Manager and each of its Affiliates, and any directors, officers, agents, subcontractors, delegatees, members, partners, shareholders, officers and employees of each of the foregoing (each, an "**Indemnified Party**") from and against any claims, liabilities, losses, damages, costs or expenses (including legal fees) ("**Liabilities**") incurred by them or threatened in connection with any and all actions, suits, investigations, proceedings or claims of any kind whatsoever, whether arising under statute or action of a regulatory authority or otherwise, arising from this Agreement or the Services provided hereunder ("**Claims**"); provided that no Indemnified Party shall be so indemnified with respect to any Claim to the extent that such Claim is finally determined by a final and non-appealable judgment entered by a court of competent jurisdiction, or pursuant to a settlement agreement agreed to by such Indemnified Party, to have resulted from such Indemnified Party's bad faith, fraud, willful misconduct, gross negligence or, in the case of a criminal matter, conduct undertaken with knowledge that the conduct was unlawful.

8.1.2 The Manager and the Company agree that in case any Claim should be made by a third party arising from this Agreement or the Services provided hereunder, the Indemnifying Party shall have the right to assume and conduct the defense of such Claim with counsel of its own choosing; provided that the Indemnified Party shall have the right to participate in such defense and to employ its own counsel in connection therewith at the Indemnified Party's sole expense. If the Indemnifying Party does not assume the defense of any such third-party Claim, the Indemnified Party shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel, as well as the reasonable out-of-pocket costs and expenses incurred in connection therewith shall be paid by the Indemnifying Party in such case, as incurred but subject to recoupment by the Indemnifying Party if ultimately it is not liable to pay indemnification hereunder. The Indemnified Party will not consent to a settlement of, or the entry of any judgment arising from, any such third-party Claim without the prior written consent of the Indemnifying Party (such consent not to be unreasonably withheld, conditioned or delayed).

8.1.3 The Manager and the Company agree that, promptly after the receipt of notice of the commencement of any third-party Claim involving an Indemnified Party pursuant to this Agreement, where such Claim is based, directly or indirectly, upon any matter in respect of which this Agreement provides for indemnification, the Indemnified Party in such case shall notify the Indemnifying Party in writing of the commencement of such Claim (provided that any accidental failure to provide any such notice shall not prejudice the right of any such Indemnified Party hereunder, except to the extent that such failure prevents participation by the Indemnifying Party in such Claim) and, throughout the course of such Claim, the party responsible for the defense of such claim hereunder shall

use its best efforts to provide copies of all relevant documentation to the other party and shall keep the other party appraised of the progress thereof and shall discuss with the other party all significant actions proposed.

8.1.4 The parties hereto expressly acknowledge and agree that the right to indemnity provided in this Section 8.1 shall be in addition to and not in derogation of any other liability which the Indemnifying Party in any particular case may have or of any other right to indemnity or contribution which any Indemnified Party may have by statute or otherwise at law.

8.1.5 The indemnity provided in this Section 8.1 shall survive the completion of Services rendered under, or any termination or purported termination of, this Agreement.

8.2 Limitation of Liability

8.2.1 The Manager assumes no responsibility under this Agreement other than to render the Services in good faith and in accordance with Section 4.2.3 and shall not be responsible for any action of a Service Recipient in declining to follow any advice or recommendations of the Manager.

8.2.2 Without limiting the provisions of Section 4.2.3, the Company hereby agrees that no Indemnified Party shall be liable to a Service Recipient, a director or officer (or other individual with similar function) of a Service Recipient or any security holder or partner of a Service Recipient for any Liabilities that may occur as a result of any acts or omissions by the Indemnified Party pursuant to or in accordance with this Agreement, except to the extent that such Liabilities are finally determined by a final and non-appealable judgment entered by a court of competent jurisdiction to have resulted from the Indemnified Party's bad faith, fraud, willful misconduct, gross negligence, or in the case of a criminal matter, conduct undertaken with knowledge that the conduct was unlawful. For the avoidance of doubt, the provisions of this Section 8.2 shall survive the termination of this Agreement.

8.2.3 The maximum amount of the aggregate liability of the Manager and each of its Affiliates, and any directors, officers, agents, subcontractors, delegatees, agents, advisors or other representatives of the Manager or its Affiliates pursuant to this Agreement will be equal to the amounts previously paid in respect of Services pursuant to this Agreement or any agreement or arrangement provided for under this Agreement in the two most recent calendar years by the Service Recipients.

ARTICLE 9
TERM AND TERMINATION

9.1 Term

The Manager's engagement hereunder shall begin on the Effective Date and shall continue in full force and effect for a period of six months (the "**Initial Term**") unless terminated earlier in accordance with Section 9.2 or extended in accordance with Section 9.6.

9.2 Termination by the Company

9.2.1 The Company may terminate this Agreement for any reason or no reason, effective upon 45 days prior written notice of termination to the Manager or payment of a termination fee equal to the Base Management Fee that would have been payable during such 45 day period.

9.2.2 The Company may also terminate this Agreement effective immediately upon written notice of termination to the Manager without payment of any termination fee if:

9.2.2.1 the Manager engages in any act of fraud, misappropriation of funds or embezzlement against any Service Recipient;

9.2.2.2 there is an event of any bad faith, willful misconduct or gross negligence on the part of the Manager in the performance of the Services and such bad faith, willful misconduct or gross negligence results in material harm to the Spinco Group; or

9.2.2.3 the Manager makes a general assignment for the benefit of its creditors, institutes proceedings to be adjudicated voluntarily bankrupt, consents to the filing of a petition of bankruptcy against it, is adjudicated by a court of competent jurisdiction as being bankrupt or insolvent, seeks reorganization under any bankruptcy law or consents to the filing of a petition seeking such reorganization or has a decree entered against it by a court of competent jurisdiction appointing a receiver liquidator, trustee or assignee in bankruptcy or in insolvency.

9.3 Termination by the Manager

9.3.1 The Manager may terminate this Agreement effective upon written notice of termination to the Company without payment of any termination fee if:

9.3.1.1 The Company makes a general assignment for the benefit of its creditors, institutes proceedings to be adjudicated voluntarily bankrupt, consents to the filing of a petition of bankruptcy against it, is adjudicated by a court of competent jurisdiction as being bankrupt or insolvent, seeks reorganization under any bankruptcy law or consents to the filing of a petition seeking such reorganization or has a decree entered against it by a court of competent jurisdiction appointing a receiver liquidator, trustee or assignee in bankruptcy or in insolvency.

9.4 Survival Upon Termination

If this Agreement is terminated pursuant to this Article 9, such termination will be without any further liability or obligation of any party hereto, except as provided in Section 6.4, Article 8, Section 9.5 and Article 10 hereof.

9.5 Action Upon Termination

From and after the effective date of the termination of this Agreement, the Manager shall not be entitled to receive the Base Management Fee for further services under this Agreement, but shall be paid all compensation accruing to the date of termination (including such day).

9.6 Extension Option

The Company may, by written notice at least 30 days prior to the expiry of the Initial Term, elect, in its sole discretion, to extend the term of this Agreement for up to an additional six months (the "**Extension Term**"); provided, however, that during such 30 day (or longer) notice period the parties shall negotiate in good faith in order to determine the Extension Term Fee prior to the expiration of such 30-day period.

ARTICLE 10
GENERAL PROVISIONS

10.1 Assignment

10.1.1 This Agreement shall not be assigned by the Manager without the prior written consent of the Company, except (i) pursuant to Section 2.2, or (ii) in the case of assignment by the Manager to an Affiliate or a Person that is its successor by merger, consolidation or purchase of assets, in which case the Affiliate or successor shall be bound under this Agreement and by the terms of the assignment in the same manner as such of the Managers is bound under this Agreement. In addition, provided that the Manager provides prior written notice to the Company for informational purposes only, nothing contained in this Agreement shall preclude any pledge, hypothecation or other transfer or assignment of the Manager's rights under this Agreement, including any amounts payable to the Managers under this Agreement, to a bona fide lender as security.

10.1.2 This Agreement shall not be assigned by the Company without the prior written consent of the Manager, except in the case of assignment by the Company to a Person that is its successor by merger, consolidation or purchase of assets, in which case the successor shall be bound under this Agreement and by the terms of the assignment in the same manner as the Company is bound under this Agreement. In addition, provided that the Company provides prior written notice to the Manager for informational purposes only, nothing contained in this Agreement shall preclude any pledge, hypothecation or other transfer or assignment of the Company's rights under this Agreement to a bona fide lender as security.

10.1.3 Any purported assignment of this Agreement in violation of this Article 10 shall be null and void.

10.2 Independent Contractor, No Partnership or Joint Venture

The parties acknowledge that the Manager is providing the Services hereunder as an independent contractor and that the Manager and the Service Recipients are not partners or joint venturers or agents of one another and nothing herein will be construed so as to make them partners or joint venturers or agents of one another or impose any liability as such on any of them as a result of this Agreement. Nothing in this agreement shall prohibit or limit the Manager (or any Affiliate, director, officer, member, partner, shareholder, of the Manager or any of their respective officers or employees) from engaging in other business activities or sponsoring, or providing services to, third parties that compete directly or indirectly with the Service Recipients.

10.3 Failure to Pay When Due

Any amount payable by the Company hereunder which is not remitted when so due shall remain due (whether on demand or otherwise) and interest will accrue on such overdue amounts (both before and after judgment) at a rate per annum equal to the Interest Rate beginning five (5) days after the date when payment is due.

10.4 Enurement

This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

10.5 Notices

Any notice or other communication required or permitted to be given hereunder will be in writing and will be given by prepaid first-class mail, by facsimile or other means of electronic communication or by hand-delivery as hereinafter provided. Any such notice or other communication, if mailed by prepaid first-class mail at any time other than during a general discontinuance of postal service due to strike, lockout or otherwise, shall be deemed to have been received on the 4th Business Day after the post-marked date thereof, or if sent by facsimile or other means of electronic communication, shall be deemed to have been received on the Business Day following the sending, or if delivered by hand shall be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address shall also be governed by this section. In the event of a general discontinuance of postal service due to strike, lock-out or otherwise, notices or other communications shall be delivered by hand or sent by facsimile or other means of electronic communication and shall be deemed to have been received in accordance with this section. Notices and other communications shall be addressed as follows:

if to the Company:

Spinco, Inc.
c/o General Growth Properties, Inc.
110 N. Wacker Drive
Chicago, Illinois 60606

Attention: Ronald L. Gern, Esq.
Telecopier number: 312-960-5485

if to the Manager:

Brookfield Asset Management, Inc.
Brookfield Place, Suite 300
181 Bay Street, Box 762
Toronto, Ontario M5J 2T3
Canada

Attention: Joseph Freedman
Telecopier number: 416-365-9642

10.6 Further Assurances

Each of the parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and will use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

10.7 Counterparts

This Agreement may be signed in counterparts and each of such counterparts will constitute an original document and such counterparts, taken together, will constitute one and the same instrument.

[NEXT PAGE IS SIGNATURE PAGE]

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

SPINCO, INC.

By: /s/ Ronald L. Gern
Name: Ronald L. Gern
Title: Vice President

BROOKFIELD ADVISORS LP
by its general partner, BAM Limited

By: /s/ Joeseph Freedman
Name: Joseph Freedman
Title: Vice President

Signature Page to Management Services Agreement

Exhibit 21.1

LIST OF SUBSIDIARIES

Subsidiary	Jurisdiction of Formation/Organization
10101 Woodloch Forest LLC	Texas
110 Holding, LLC	Delaware
110 Wacker, LLC	Delaware
170 Retail Associates, Ltd.	Texas
170 Retail Holding, LLC	Delaware
ACB Parking Business Trust	Maryland
Alameda Plaza, LLC	Delaware
AllenTowne Mall, LLC	Delaware
American City Building Corporation	Maryland
Beverage Operations, Inc.	Texas
Bridgeland Development, LP	Maryland
Bridgeland GP, LLC	Delaware
Bridgeland Partner, LLC	Maryland
Bridges at Mint Hill, LLC	Delaware
Century Plaza L.L.C.	Delaware
Clover Acquisitions LLC	Delaware
Conference Center Condominium Association, Inc.	Texas
Corporate Housing Partnership	Texas
Cottonwood Mall, LLC	Delaware
Cottonwood Square, LLC	Delaware
Cypress LA, LLC	Delaware
Elk Grove Town Center L.L.C.	Delaware
Elk Grove Town Center, L.P.	Delaware
Emerson Land Business Trust	Maryland
Emerson Land, LLC	Delaware
Fairwood Commercial Development Corporation	Maryland
Fairwood Commercial Development Holding, LP	Maryland
Fairwood Commercial Development Limited Partnership	Maryland
Fairwood Commercial Front Foot Benefit Company, LLC	Maryland
FV-93 Limited	Texas
Gateway Overlook III Business Trust	Maryland
GG DR, L.L.C.	Illinois
Greengate Mall, Inc.	Pennsylvania
Harper’s Choice Business Trust	Maryland
Hex Holding, LLC	Delaware
Hexalon Real Estate, LLC	Delaware
Howard Hughes Properties, Inc.	Nevada
HRD Parking Deck Business Trust	Maryland
HRD Parking, Inc.	Maryland
Land Trust No. 89433	Hawaii
Land Trust No. 89434	Hawaii
Land Trust No. FHB-TRES 200601	Hawaii
Land Trust No. FHB-TRES 200602	Hawaii
Landmark Mall L.L.C.	Delaware
LRVC Business Trust	Maryland
Merchantwired Interest, Inc.	Maryland
Merchantwired, LLC	Delaware
Merriweather Post Business Trust	Maryland
Natick Residence LLC	Delaware
New Orleans Riverwalk Associates	Louisiana
New Orleans Riverwalk Limited Partnership	Maryland
Oakland Ridge Industrial Development Corporation	Maryland
Parcel C Business Trust	Maryland
Parcel D Business Trust	Maryland
Parke West, LLC	Delaware
Price Development TRS, Inc.	Delaware
Princeton Land East, LLC	Delaware
Princeton Land, LLC	Delaware
Red Rock Investment, LLC	Nevada
Redlands Land Acquisition Company L.L.C.	Delaware
Redlands Land Acquisition Company L.P.	Delaware
Rio West L.L.C.	Delaware
Riverwalk Marketplace, LLC	Delaware
Seaport Marketplace Theatre, LLC	Maryland
Seaport Marketplace, LLC	Maryland
South Street Seaport Limited Partnership	Maryland
Spinco, Inc.	Delaware

Stewart Title of Montgomery County Inc.	Texas
Stone Lake, LLC	Maryland
Summerlin Centre, LLC	Delaware
Summerlin Corporation	Delaware
Summerlin Hospital Medical Center, L.P.	Delaware
THC-HRE, LLC	Maryland
The Howard Hughes Company, LLC	Delaware
The Howard Research And Development Corporation	Maryland
The Hughes Corporation	Delaware
The Woodlands Beverage, Inc.	Texas
The Woodlands Brokerage, LLC	Texas
The Woodlands Commercial Brokerage Company, L.P.	Texas
The Woodlands Commercial Properties Company, LP	Texas
The Woodlands Corporation	Delaware
The Woodlands Custom Residential Sales, LLC	Texas
The Woodlands Custom Sales, LP	Texas
The Woodlands Land Development Company, L.P.	Texas
The Woodlands Operating Company, L.P.	Texas
Timbermill-94 Limited	Texas
Town Center Development Company GP, LLC	Texas
Town Center Development Company, LP	Texas
Town Center East Business Trust	Maryland
Town Center East Parking Lot Business Trust	Maryland
TWC Commercial Properties, LLC	Delaware
TWC Commercial Properties, LP	Delaware
TWC Land Development, LLC	Delaware

TWC Land Development, LP	Delaware
TWC Operating, LLC	Delaware
TWC Operating, LP	Delaware
TWCPC Holdings GP, LLC	Texas
TWCPC Holdings, L.P.	Texas
TWLDC Holdings GP, LLC	Texas
TWLDC Holdings, LP	Texas
Victoria Ward Center L.L.C.	Delaware
Victoria Ward Entertainment Center L.L.C.	Delaware
Victoria Ward Services, Inc.	Delaware
Victoria Ward, Limited	Delaware
VW Condominium Development, LLC	Delaware
Ward Gateway-Industrial-Village, LLC	Delaware
Ward Plaza-Warehouse, LLC	Delaware
Waterway Ave Partners, L.L.C.	Texas
WECCR General Partnership	Texas
WECCR, Inc.	Texas
West Kendall Holdings, LLC	Maryland
Westlake Retail Associates, Ltd.	Texas
Westlake Retail Holding, LLC	Delaware
Wincopin Restaurant Business Trust	Maryland
Woodlands Acquisition, LLC	Texas
Woodlands Office Equities-95, Ltd.	Texas
Woodlands Sarofim #1, Ltd.	Texas

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October 7, 2010

VIA EDGAR

Securities and Exchange Commission
Division of Corporation Finance
100 F Street, NE
Washington, D.C. 20549-3010
Ms. Karen J. Garnett

Re: Spinco, Inc.
Registration Statement on Form 10-12B
Filed August 25, 2010
File No. 001-34856

Dear Ms. Garnett:

On behalf of our client, Spinco, Inc. (the “Company”), we are transmitting herewith via the EDGAR system for filing with the Commission Amendment No. 1 to the Registration Statement on Form 10-12B (the “Registration Statement”) of the Company (File No. 001-34856), together with certain exhibits thereto.

Set forth below in bold are each of the comments in the Staff’s letter of September 24, 2010. Immediately following each of the Staff’s comments is the Company’s response to that comment, including where applicable, a cross-reference to the location in the Amendment of changes made in response to the Staff’s comment. For your convenience, each of the numbered paragraphs below corresponds to the numbered comment in the Staff’s comment letter and includes the caption used in the comment letter. Capitalized terms used herein and otherwise not defined have such meanings as set forth in the Registration Statement.

General

1. **We note your references throughout your registration statement to your Real Estate Affiliates, and the definition of this term in Note 1 to your financial statements. For ease of reference, please revise to identify your Real Estate Affiliates and define this term the first time it is used in the registration statement.**

The Company has revised the disclosure to identify the Company’s Real Estate Affiliates and moved the definition of this term to page 3 of the Registration Statement.

Summary, page 1

2. **We note your statement within this section that you own a diverse portfolio of properties with a relatively small amount of debt. Please balance your disclosure in this section by disclosing your current leverage.**

The Company has added disclosure regarding its current leverage on page 1 of the Registration Statement and its total debt and total assets on page 2 of the Registration Statement.

Summary Historical Combined Financial Data, page 11

3. **You disclose that your historical financial results reflect allocations for certain corporate costs and that you believe such allocations are reasonable. Please expand your disclosure to further explain your method of allocation as required by Question 2 of SAB 1 B 1. Please revise throughout your filing where applicable.**

The Company has expanded the disclosure on page 11 of the Registration Statement regarding certain corporate costs as required by Question 2 of SAB 1B1 and has revised pages 58, 66, F-6 and F-40 of the Registration Statement accordingly.

Item 1. Business

Investment Agreements, page 14

4. **We note your disclosure on page 15 that in the event that the TopCo Debtors are not able to obtain the required consent, the Investment Agreements require the TopCo Debtors to create a synthetic instrument that would place you in the same economic position as if such Spinco Asset had been transferred or contribute an asset to you that has reasonably equivalent economic value. Please expand your disclosure regarding the possible synthetic instrument and tell us what form such instruments would take. Also, please describe what assets the TopCo debtors would transfer to you in the event that the creation of a synthetic instrument is not practicable.**

The Company respectfully advises the Staff that the Company anticipates that it will receive all required consents and, therefore, the creation of any synthetic instrument will not be necessary. The Company has revised the disclosure on page 15 to remove all references to the potential creation of any synthetic instruments and on page 45 of the Registration Statement to remove the corresponding risk factor.

5. **Refer to the third full paragraph on page 15. Please revise to explain the meaning of the term "economic ownership" and disclose the economic ownership of Brookfield Investor and Pershing Square on the Effective Date, after giving effect to the Blackstone Designation and including shares issuable upon the exercise of warrants.**

The Company has revised the disclosure on page 15 of the Registration Statement to explain the term "economic ownership" and to include Pershing Square's expected economic ownership on the Effective Date. The Company respectfully advises the Staff that economic ownership is only applicable to Pershing Square, and not to Brookfield Investor.

6. **We note that you have disclosed some of the conditions for your plan sponsors to consummate the transactions contemplated by the investment agreements. Please expand this discussion to list all conditions to consummation of the investment agreements and state whether each condition is waivable.**

The Company has added disclosure on pages 15 to 20 of the Registration Statement to list all conditions to the consummation of the Investment Agreements and to state that all

conditions are waivable by the Plan Sponsors. The Company has also revised the disclosure on page 20 of the Registration Statement to clarify that if the conditions are not satisfied or waived and the transactions contemplated by the Investment Agreements are not completed, the Separation will not take place and the shares covered by the Registration Statement will not be issued.

Business Overview, page 16

Strategic Development, page 21

7. **Please provide the following operating data for each of your significant properties, as applicable:**

- **occupancy rate for each of the last five years;**
- **number of tenants occupying ten percent or more of the rentable square footage and the principal nature of the business of such tenants;**
- **average effective annual rental per square foot.**

To the extent needed for clarity, please segregate your operating data by category of use and provide operating data for each category.

- The Company has included on pages 93 to 94 of the Registration Statement a table that includes: the number of properties, Mall and Freestanding GLA, Average Annual Tenant Sales per Square Foot, Mall and Other Rental NOI, Average In-Place Sum of Rent and Recoverable Common Area Costs per Square Foot and Occupancy for the Year Ended December 31, 2009 for Ward Centers, the only Strategic Development property that on the basis of current revenues and net book value (using 10% as the threshold), the Company would consider to be individually significant, as well as for all other Strategic Development properties in the aggregate. The Company does not believe that adding disclosure of these items for each category within the Strategic Development segment would add useful information for investors.

- In addition the Company has added disclosure, as an introduction to the table referenced above, that the Company does not have any tenants at Ward Centers which occupy more than 10% of the rentable square footage.

- With respect to the occupancy rate, the Company respectfully advises the Staff that it believes that the most relevant period for this information is December 31, 2009. For prior periods, the occupancy rate data would be distorted by the closure of properties that were previously operating and changes in square footage and other factors that would cause a comparison of prior occupancy rates to not be useful information for investors. Accordingly, the Company has presented the occupancy data for the year ended December 31, 2009 and not for the prior five years.

Redevelopment Projects, page 27

8. **Within this section, please clarify how you classify your operating properties as redevelopment projects.**

The Company has revised the disclosure on page 31 of the Registration Statement to clarify how it classifies the specified operating properties as redevelopment projects,

which are those properties that the Company believes have potential for future growth by means of an improved tenant mix, additional GLA, repositioning of the asset or alternative uses.

Conditions to Separation and Distribution, page 30

9. **Please confirm that you have listed each condition to your separation agreement. Otherwise, please revise to disclose all conditions or tell us why you believe the omitted conditions are not material.**

The Company confirms that it has listed each material condition to the Separation Agreement. The Company respectfully advises the Staff that any and all conditions to the Separation not listed are not material because they are administrative or documentary conditions that are within the Company's control, and that listing these conditions would not provide meaningful information to investors.

Employees, page 39

10. **We note that you will have 98 employees whom will be temporarily leased from your predecessors under an employee leasing agreement. Please state the percentage of time these employees will be expected to devote to your business during the transition period.**

The Company has revised the disclosure on page 43 of the Registration Statement to indicate that leased employees will devote all of their time to the Company and will cease providing services to the Predecessors as of the Effective Date.

Item 1A. Risk Factors, page 39

11. **Each risk factor should present only one discreet risk. We note that several of your risk factors contain multiple risks. For example only, we note the following risk factors:**

- **We develop and expand properties, and this activity is subject to various risks, page 41; and,**

- **We own retail properties which arc subject to a number of significant risks which are beyond our control, page 44.**

Please revise to present each material risk under a separate subheading.

The Company has revised "Item 1A. Risk Factors" of the Registration Statement to present only one discreet risk for each risk factor, and accordingly has revised multiple risks to present each material risk under a separate subheading on pages 46 to 50 of the Registration Statement.

Item 2. Financial Information

Unaudited Pro Forma Condensed Combined Financial Information, page 55

12. **Please provide to us and disclose management's analysis supporting that historical basis is the appropriate basis for measuring your assets and liabilities upon emerging from bankruptcy. In addition please disclose how you plan to account for the distribution of 32,500,000 shares of common stock to existing stockholders of GGP. Please cite the appropriate accounting literature relied upon.**

The Company respectfully advises the Staff that the accounting by Spinco to reflect the emergence from bankruptcy of the Emerged Debtors is limited to recording reorganized

GGP liabilities impacted by confirmed plans of reorganization at the estimated present values of the amounts expected to be paid upon emergence from bankruptcy of the Spinco companies that are Debtors since the provisions of the Plan do not meet the criteria for fresh-start reporting (ASC 852-10-45-29). Historical amounts reported in the unaudited pro forma financial statements reflect these present value adjustments in mortgages, notes and loans payable not subject to compromise, along with associated amortization. However, as certain of the Spinco Debtors remain in bankruptcy as of June 30, 2010, their liabilities remain subject to compromise and, therefore the Spinco historical financial statements have no such present value adjustment or associated amortization. Fresh-start reporting is not required for Spinco because existing holders of GGP common stock will receive greater than 50% (approximately 79.7%) of the voting shares of Spinco and the reorganization value of Spinco's assets exceeds the total of all post-petition liabilities and allowed claims (ASC 852-10-45-19).

Further, the acquisition method of accounting does not apply to Spinco at emergence because the criteria for application of the acquisition method of accounting has not been satisfied in that a transaction or event yielding a change of control, that is, a business combination, has not occurred. Since the provisions of the Plan provide that all members within each class of equity are treated equally, the Distribution is treated as a pro-rata spin-off and such non-monetary transaction is accounted for at recorded or historical carrying values (ASC 505-60 and ASC 845-10-30-10).

In addition, the Company respectfully advises the Staff that the Distribution will be accounted for by allocating the historical amount of GGP Equity of Spinco into common stock of the Company at its par value of $0.01 per share and the difference as Additional paid-in capital.

Accordingly, the Company has revised the disclosure on pages 60 and 63 of the Registration Statement to include the foregoing disclosures.

13. **You disclose on page 76 that under the Plan, a five year, interest bearing, unsecured promissory note payable by one of your subsidiaries to GGPLP, the Spinco Note, may be issued on the Effective Date. You also disclose that you do not expect to issue the Spinco Note. In light of the structure of the Plan and the fact that several outcomes regarding the Spinco Note are possible, please expand your pro forma disclosure to discuss a range of possible outcomes as well as the sensitivity of your expectation that the Spinco Note will not be issued.**

The Company has expanded its pro forma disclosure on page 65 of the Registration Statement to include the Company's sensitivity of its expectation that a Spinco Note will not be issued.

14. **You disclose on page 35 that you will enter into a transition services agreement in connection with the Separation whereby GGP will provide certain services to you. You also disclose that the charges of each of the transition services will generally be based on either a pre-determined flat fee or an allocation of the cost incurred by GGP. Please expand your pro forma disclosure to discuss the agreement and provide an estimate of the fees, if available.**

The Company has added disclosure on page 39 of the Registration Statement to describe the fees payable under the transition services agreement and has included an estimate of such fees in the pro forma financial statements.

Notes to Pro Forma Condensed Combined Financial Information, page 59

15. **You disclose in footnote (6) that the adjustment reflects the establishment of the tax Indemnity Cap in accordance with the Investment Agreements. Please tell us in greater**

detail how you determined this amount. Also, tell us how you determined that the amount is factually supportable. For reference, see Article 11 of Regulation S-X.

In revised footnote (6) on page 64 of the Registration Statement, the Company has cross-referenced the definitions and the formula for the calculation of the Tax Indemnity Cap located elsewhere in the Registration Statement. The Tax Indemnity Cap was determined based on the Company's estimates of the calculation of the Tax Indemnity Cap. The Company believes that the amount is factually supportable in accordance with Article 11 of Regulation S-X because the form of the Separation Agreement to be executed upon emergence has been agreed to and filed with the Bankruptcy Court in connection with the Plan.

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

Overview — Basis of Presentation, page 61

16. **You disclose that the financial information included in this registration statement was carved-out from the financial information of GGP. Please tell us your basis for presenting carved-out financial statements in lieu of financial statements of the registrant required by Article 3 of Regulation S-X.**

The GGP assets to be distributed to the Company represent, at June 30, 2010, approximately 10.4% of the carrying value of the aggregate assets of GGP. Accordingly, the Company does not believe that the full financial statements of GGP represent appropriate predecessor financial information to be presented in the Registration Statement. In addition, the Company is not a finance subsidiary, the Company's securities being registered are not guaranteed by a parent nor is the Company registering in the Registration Statement its securities for the purposes of sale in the public market, that is, the Registration Statement is a Form 10 — Exchange Act — filing rather than a Securities Act filing. Accordingly, the Company believes that filing historical financial information on a carve-out basis for the periods presented is responsive to the requirements of Article 3 of Regulation S-X and is the most meaningful information to include in the Registration Statement. Further, as Spinco, Inc., the registrant in the Registration Statement, was not formed as of June 30, 2010, it was inappropriate to present any information with respect to Spinco, Inc. within the June 30, 2010 financial information included in the Registration Statement. In addition, although Spinco, Inc. was formed on July 1, 2010, there have been no operations or transactions by Spinco, Inc. beyond its initial capitalization of $1,000 by GGPLP as of the date hereof.

Overview — Strategic Development Segment, page 62

17. **We note your disclosure that trailing twelve month total tenant sales per square foot at your regional malls were approximately $386 at December 31, 2009. Please advise us how this amount is calculated and tell us why you have only included the measure for the twelve months ended December 31, 2009.**

The Company has revised the disclosure on page 67 of the Registration Statement to remove trailing twelve month tenant sales per square foot. In response to comment number 7, the Company has revised the disclosure on page 94 of the Registration Statement to reflect, among other operating data, the average annual tenant sales per square foot and average in-place sum of rent and recoverable common area costs per square foot. Also, as described in our response to comment number 7, the Company believes that additional data beyond December 31, 2009 would not constitute useful information for investors.

Selected Master Planned Communities Data, page 62

18. **We note your presentation of selected financial and operational data for your Master Planned Communities segment. Please tell us how the measures presented, including Combined MPC EBITDA, Total MPC EBITDA, Combined Unlevered Free Cash Flow, Combined Levered Free Cash Flow, and Total Levered MPC Free Cash Flow, meet the requirements of Item 10(e) of Regulation S-K. In your response, specifically tell us how you determined that these measures were not given greater prominence than the most directly comparable GAAP measure and that the reconciliation is presented using a clearly understandable method. Also, explain the line item "Non-MPC operating cash flow and other" on page 67 in greater detail and tell us how these amounts were determined.**

The Company has revised its disclosure to address the Staff's comments in the following manner:

- The Company has moved the presentation and discussion of the non-GAAP measures of Combined MPC Adjusted EBITDA, Total MPC Segment Adjusted EBITDA and Total Levered MPC Free Cash Flow to pages 77 to 83, which follows the comparison of the Company's GAAP results in order to ensure that the non-GAAP measures are not given greater prominence than the most directly comparable GAAP measures.

- The Company has revised its disclosure to eliminate the non-GAAP measures of Combined MPC EBITDA, Total MPC EBITDA, Combined Unlevered Free Cash Flow and Combined Levered Free Cash Flow.

- The Company has revised its disclosure to include a more detailed explanation of the information set forth in each table and has separated the tables such that each table shows the components used to calculate each specific measure.

- The Company has revised the disclosure on page 77 to explain the reasons why the Company's management believes that the non-GAAP measures presented provide useful information to investors as follows: "we believe that such information is helpful to investors in understanding and comparing the performance of our Master Planned Communities segment across reporting periods on a consistent basis by excluding items that we do not believe are indicators of our core MPC segment operating performance." Further explanation of the usefulness of these non-GAAP measures can be found on revised pages 78 and 79.

- The Company has revised the disclosure on page 80 to provide that Non-MPC operating cash flow " [r]eflects operating cash flow items relating to our Strategic Development segment, including Nouvelle at Natick development expenditures and other Strategic Development operating property working capital charges."

- The Company has revised the disclosure on page 80 to more clearly set forth the reconciliation of Total Levered MPC Free Cash Flow to Combined Spinco, Inc. net cash (used in) provided by operating activities.

- The Company has expanded the disclosure on pages 78 and 79 to clarify that the presentation of Combined MPC Adjusted EBITDA and Total MPC Segment Adjusted EBITDA are more detailed calculations of the same measures presented in the segment footnote of the Company's combined financial statements, which are presented in accordance with Accounting Standards Codification 280 and in the Non-GAAP Financial Measures C&DI response to question 104.01.

As a result of these changes, the Company believes that the Non-GAAP measures are not given greater prominence and the reconciliation to GAAP measures is presented in a clearly understandable method. The Company also believes that its disclosure is consistent with the requirements of Item 10(e) of Regulation S-K.

<u>Six Months Ended June 30. 2010 and 2009, page 68</u>

<u>Master Planned Communities Segment, page 68</u>

19. **We note your discussion regarding land sales related to your master planned communities. You discuss the status of sales during the period for several of the communities; please expand your disclosure to include a complete discussion of the status of sales for all of the communities (i.e., including Emerson and Gateway communities in Maryland) as well as your expectations of sales in the future.**

The Company has added disclosure on page 69 of the Registration Statement to include a complete discussion of the status of sales for all of the communities as well as the Company's expectations of sales in the future.

20. **Please also discuss trends in sales prices/margins at each of the communities, if material.**

The Company has added disclosure on page 69 of the Registration Statement to include a table reflecting the average sales price per acre for each of the communities and disclosure regarding sales trends. The Company respectfully advises the Staff that it has recently experienced immaterial declines in its margins, and it does not expect a further decline in such margins to occur. Accordingly, the Company has not included a discussion of trends in margins in the Registration Statement.

<u>Strategic Development Segment, page 69</u>

21. **Please clarify which properties and/or projects you currently earn revenues from and your expectations for the future.**

The Company has revised the disclosure on page 67 of the Registration Statement to clarify which properties and/or projects the Company currently earns revenues from and the Company's expectations for the future.

22. **Please expand your disclosure to discuss increases and decreases in revenues and expenses at the property and/or project level, when material.**

The Company has revised the disclosure on page 73 of the Registration Statement to include property level discussions of changes in income and expense, when material.

23. **Please explain what is included in the "Other, including noncontrolling interests" revenue line item.**

The Company has changed its caption for other revenues as there are no significant amounts in this category applicable to noncontrolling interests, and has revised the disclosure on page 70 of the Registration Statement to detail the major components of other property revenues and include a discussion of the increase over the prior year period.

<u>Year ended December 31. 2009 and 2008, page 70</u>

<u>Strategic Development Segment, page 71</u>

24. **You disclose that Other Revenues include gains or losses on dispositions of certain property transactions. Please tell us your basis for including these gains or losses in revenues.**

The Company respectfully advises the Staff that gains and losses on certain property disposition transactions are not a recurring source of revenue for the Company. Asset sales (excluding master planned community lot sales) are infrequent, but occur from time to time, and the resulting gains or losses are typically not material to the Company. Also, within the Woodlands Partnerships included in the Strategic Development segment, on an infrequent basis, certain buildings were sold on a "build to suit" basis. The Company has included such gains or losses in other revenues.

The Company has revised the disclosure on pages 24 and 34 of the Registration Statement to disclose the elements of The Woodlands Partnerships investments that are included in the Strategic Development segment.

25. **You disclose that operating costs were significantly reduced at South Street Seaport and Ward Centers. You also disclose on page 74 that operating costs were significantly reduced at Riverwalk Marketplace from 2007 to 2008. Please expand your disclosure to discuss how you reduced these operating costs and the nature of the costs that were reduced. Also, please discuss your expectations for the figure regarding additional decreases and/or sustainability of the reductions.**

The Company has revised the disclosure on page 73 of the Registration Statement to clarify how the operating costs were significantly reduced at South Street Seaport and Ward Centers. The Company has revised the disclosure on page 76 of the Registration Statement to state that operating costs were significantly reduced at Riverwalk Marketplace from 2007 to 2008. We also expanded the disclosure to discuss how these operating costs were reduced, the nature of the costs that were reduced and expectations for the future regarding additional decreases and/or sustainability of the reductions.

Liquidity and Capital Resources, page 75

26. **Especially in light of your history of significant negative cash flows from operations and your Predecessor's liquidity issues which caused it to postpone development on your projects, please expand your liquidity discussion to present a clearer picture of your ability to generate cash and to meet existing and known or reasonably likely future cash requirements. Please see Section IV of Release No. 33-8350 for reference.**

The Company has added disclosure on page 84 of the Registration Statement to present a clearer picture of its ability to generate cash and to meet existing and known or reasonably likely future cash requirements.

Spinco Note, page 76

27. **Please expand your discussion within this section with regard to the following items:**

- **Define "net debt" on the Effective Date;**
- **Provide background of the Hughes Amount; and**
- **Define "MPC Taxes."**

Also, please provide a brief summary of the purpose and effect of the Spinco Note.

The Company has added disclosure on pages 85 to 89 of the Registration Statement to define "net debt" on the Effective Date and to provide background of the Hughes

Amount, which the Company refers to as the Hughes heirs obligations as defined on page 18 of the Registration Statement. The Company has also provided a brief summary of the purpose and effect of the Spinco Note. The Company has eliminated the term "MPC Taxes" from the Registration Statement.

Tax Indemnities, page 77

28. **We note your disclosure that the Excess Surplus Amount is determined using a complex formula described in the Investment Agreements. Please provide a brief explanation of how you determine the Excess Surplus Amount within this section.**

The Company has added disclosure on page 89 of the Registration Statement to include a brief explanation of how the Company determines the Excess Surplus Amount.

Critical Accounting Policies, page 79

Impairment — Properties and land held for development redevelopment, and sale and developments in progress, page 80

29. **You disclose that you review your combined and uncombined real estate assets, including operating properties, land held for development and sale and developments in progress, for potential impairment indicators whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Please advise us of your basis for this accounting policy for land held for sale.**

The assets in the Company's Master Planned Communities segment and its Strategic Development segment consist of certain properties held that are intended to be sold. These properties have required, and continue to require, significant development and/or redevelopment before they are expected to be ready for sale. Within the Company's Master Planned Communities segment, the Company times its development activity to correspond to its expected pace of sales and, therefore, there is typically not a large inventory of completed parcels awaiting sale. Accordingly, the Company's impairment accounting policy has reflected these assets as real estate to be held and used, as provided by ASC 360-10. The Company has revised the disclosure on pages 91 and 92, and in other areas of the Registration Statement, to clarify this distinction.

Quantitative and Qualitative Disclosures about Market Risk, page 82

30. **Please expand your discussion of the terms of your outstanding debt to include one of the three disclosure alternatives set forth in Item 305(a) of Regulation S-K.**

The Company respectfully advises the Staff that it does not have any variable rate debt. The Company has revised the disclosure on page 93 to reflect this fact. Accordingly, all debt is in the same risk exposure category and therefore, the Company respectfully submits that no further disclosure is required pursuant to Item 305(a) of Regulation S-K.

Item 5. Directors and Executive Officers

Board of Directors, page 84

31. **Please expand the discussion of your directors to describe the specific experience, qualifications, attributes or skills that led to the conclusion that each person named should serve as a director. Refer to Item 401(e) of Regulation S-K.**

The Company respectfully advises the Staff that, as disclosed on page 96 of the Registration Statement, the Company currently has only two directors. These two

individuals will not continue as directors on the Effective Date. The Company will include disclosure consistent with the requirements of Item 401(e) of Regulation S-K for the individuals that are identified as the director nominees and that will comprise the Company's board of directors on the Effective Date in Amendment No. 2 to the Registration Statement.

32. **Please tell us when you will provide disclosure regarding the additional seven persons that will serve as directors upon consummation of the Plan. Also, please state when you will identify the members of your board committees.**

The Company respectfully advises the Staff that it plans to identify the individuals that will be the director nominees and comprise the Company's board of directors and committees in Amendment No. 2 to the Registration Statement.

Executive Officers, page 86

33. **Please provide the dates for which Messrs. Arthur and Ganeless held the various positions listed in the biographical information section.**

The Company has revised the disclosure on page 99 of the Registration Statement for Messrs. Arthur and Ganeless, respectively, to include the dates for which each held the various positions listed in his biographical information sections, respectively.

Compensation of Executive Officers, page 88

34. **We note your disclosure on page 90 that you intend to pay Brookfield Advisors a monthly fee of $500,000 for its services provided under your management agreement. To the extent known, please disclose what portion of that payment will be used to compensate your interim executive officers.**

The Company has added disclosure on page 105 of the Registration Statement to indicate that none of the payments to be made to Brookfield Advisors for its services provided under the Management Agreement will be used to compensate the Company's interim executive officers.

Interim Management Agreement, page 90

35. **Within this section, please disclose the relationship, if any, between Brookfield Advisors and Brookfield Investor, your sponsor.**

The Company has revised the disclosure on page 104 of the Registration Statement to explain that Brookfield Advisors is an affiliate of Brookfield Investor.

36. **We note that Brookfield Advisors is permitted to subcontract any or all of the services it provides under the Management Agreement. We also note that you will reimburse Brookfield Advisors for all fees, costs and expenses owed to any third party in connection with the provision of services under the Management Agreement. Please revise the last paragraph under this heading to clarify whether you will reimburse Brookfield Advisors for all fees charged by third party subcontractors.**

The Company has revised the disclosure on page 105 of the Registration Statement to clarify that the Company will reimburse Brookfield Advisors for all fees charged by third party subcontractors.

Recent Sales of Unregistered Securities, page 93

37. **Please provide the information required by Items 701(c) and (d) of Regulation S-K for the 1,000 shares issued to your parent company on July 1, 2010.**

The Company has added disclosure on page 108 of the Registration Statement to provide the information required by Items 701(c) and (d) of Regulation S-K for the 1,000 shares issued to the Company's parent on July 1, 2010.

Description of Registrant's Securities to be Registered

General, page 93

38. **We note your disclosure on page 92 that on the effective date, there will be approximately 37.75 million shares of our outstanding common stock, as well as warrants to purchase up to 8,000,000 shares of our common stock and 507,307 shares of our common stock issuable upon the exercise of the Spinco Options. We also note that you are authorized to issue 46 million shares of common stock. Since it appears that upon exercise of the outstanding warrants and options you will have more than 46 million shares outstanding, please tell us how and when you plan to increase the amount of your authorized capital stock.**

The Company intends to amend and restate its certificate of incorporation on the Effective Date. Such certificate will authorize a sufficient number of shares to cover the issuance of the Company's common stock upon exercise of the warrants and options. The Company has revised the disclosure on page 108 of the Registration Statement to reflect the amended authorized amount.

Item 15. Financial Statements and Exhibits

Spinco, Inc. Unaudited Interim Combined Financial Statements

Notes to Unaudited Combined Financial Statements, page F-5

Note 1 Organization, page F-5

Impairment, page F-11

General, page F-12

39. **You disclose that certain of your properties had fair values less than their carrying amounts. However, based on your plans with respect to those properties, you believe that the carrying amounts are recoverable and therefore, under applicable GAAP guidance, no additional impairments were taken. Please expand your disclosure to specifically identify these properties and their carrying amounts. Furthermore, in your MD&A please disclose the percentages by which the undiscounted cash flows exceed the carrying amounts, the significant assumptions used in the undiscounted cash flow analyses that you have relied upon, and a discussion of the degree of uncertainty associated with those key assumptions.**

The Company has revised its disclosure on page 71 of the Registration Statement to explain that all of the properties in its Master Planned Communities segment had fair values less than their respective carrying amounts and that the undiscounted cash flows for these properties exceeded their carrying amounts by over 200%. The Company also revised its disclosure to explain that out of those properties in the Strategic Development segment that had impairment indicators, only two operating properties had fair values less than their respective carrying amounts (with carrying amounts of approximately $32 million) and undiscounted cash flows were in excess of such amount by approximately 32%. For competitive reasons and the relatively low significance, on a total revenue and net book value basis as compared to the Company's total revenue and net book value, of

each individual property in the Strategic Development segment as compared to the Company's overall holdings, the Company has not provided disclosure regarding each individual property that has a fair value less than its carrying amount, but has indicated that for assets with impairment indicators, although carrying values exceeded fair values, no provision for impairment was deemed necessary. The Company has revised its discussion of its impairment policy to include assumptions used, and uncertainties present, in the calculation of future undiscounted cash flows. The Company has also revised its disclosure on pages F-11 and F-12 to indicate that although certain assets had impairment indicators and, as the undiscounted cash flows exceeded the carrying amounts for such properties, no further impairment charges were necessary.

40. **We note your disclosure of impairment losses recognized on pages F-12 and F-45. Please expand your disclosure to discuss the facts and circumstances leading to each of these impairments. For reference, see ASC 360-10-50-2.**

The Company respectfully notes the reference to ASC 360-10-50-2 and has included additional disclosure related to the facts and circumstances of the impairment losses on pages F-12 and F-48 of the Registration Statement.

Revenue Recognition and Related Matters, page F-14

41. **You disclose that income related to condominium unit sales subsequent to the Effective Date is expected to be accounted for on the percentage-of-completion method. Please tell us your basis for using the percentage-of-completion method. For reference, see ASC 360-20-40-50.**

The Company has revised its disclosure on pages F-16 and F-50 to indicate that income related to condominium unit sales is accounted for on a unit-by-unit basis on the full accrual method because the criteria for the use of this method as set forth in ASC 360 have been met. On a unit-by-unit basis, criteria for full accrual revenue recognition have been met because the collectability of the sales price is reasonably assured and the earnings process is virtually complete. Criteria for recognition of any revenue on the entire project have also been met such as construction that is beyond a preliminary stage, commitment of the buyer relative to its ability to require a refund, except for non-delivery of the unit, sufficient sale of units to ensure the entire property will not revert to rental property, collectability of sales prices (ASC 360-20-40-50) and the ability to reasonably estimate the aggregate sales proceeds and costs.

The Plan and Separation Agreement provide that all condominium sales prior to the Effective Date are not allocable to Spinco (except for property sales at Summerlin, which are allocable to Spinco after September 7, 2010), therefore no sales revenue has been reflected in the historical financial statements. As the criteria enumerated above are expected to be met for the project as a whole and for any condominium unit sales subsequent to the Effective Date, the Company expects to recognize revenue specific to each unit sale that occurs. Cost ratios for unit sales are determined as a specific percentage of sales revenue recognized. The cost ratios used are based on actual costs incurred and estimated total development costs and sales revenues to completion of the project.

Note 3 Real Estate Affiliates, page F-16

42. **You disclose that you own non-controlling investments in The Woodlands Partnerships and Circle T and that since you have joint interest and control of these ventures with your venture partners, you account for the joint ventures using the equity method. Please provide us with a detailed analysis and your basis in GAAP for using the equity method of accounting for these affiliates. The disclosure on page F-80 states that TWLDC Holdings L.P. is a limited partnership that is owned by entities controlled by The Rouse Company**

(which is controlled by GGP) and Morgan Stanley Real Estate Fund II, L.P. Please clarify which entity is the general partner of the TWLDC Holdings L.P. in your analysis.

The Company has performed a detailed analysis regarding the basis in GAAP for using the equity method of accounting for its non-controlling investments in its joint ventures. The Company respectfully advises the Staff that this basis complies with ASC 810 (formerly Statement of Financial Accounting Standards No. 167), the relevant guidance for the accounting for such joint ventures.

Accounting for The Woodlands Partnerships, which consists of the following entities: The Woodlands Land Development Company, L.P., The Woodlands Commercial Properties Company, L.P., and The Woodlands Operating Company, L.P. (collectively, the "Woodlands Partnerships"), under ASC 810 (formerly Statement of Financial Accounting Standards No. 167):

On December 30, 2003, The Woodlands Partnership Agreement (the "Partnership Agreement") was amended and restated to provide that the Rouse Company (purchased by GGP in November 2004) had a 42.5% ownership (but a 52.5% economic interest) in The Woodlands Partnerships. The Woodlands Partnerships own, through a wholly-owned subsidiary, a master planned community and other operating rental and real estate assets located in Houston, Texas. According to the Partnership Agreements, the partners generally share in the profits and losses, cash flows and other matters in accordance with their respective economic interest percentages (52.5% GGP/47.5% Morgan Stanley). GGP, as administrative partner, is responsible for the implementation of decisions of the partners and for conducting the ordinary and usual business and affairs of the Woodlands Partnerships. Except as otherwise specifically provided, all decisions concerning the business and affairs of the Woodlands Partnerships require unanimous approval of all partners. Additional capital contributions, as determined by the partners, are required to be contributed in accordance with each partner's proportionate economic interest in the Woodlands Partnerships. GGP does not have a special or unique obligation or the opportunity to manage or acquire disproportionate economic interest in the Woodlands Partnerships due to its administrative partner status. Affiliates of GGP and Morgan Stanley are both limited and general partners in the Woodlands Partnerships.

Upon reviewing the Partnership Agreement and Accounting Standards Codification 810, the Company determined that the Woodlands Partnerships are capable of financing their activities without additional subordinated financial support. Additionally, the partners share the power to direct activities that most significantly impact the economic performance of the Woodlands Partnerships, no single partner possesses the power to unilaterally remove the other partner, and the partners participate in the residual returns and expected losses in a manner proportionate to their partnership interest. Finally, the fees earned for services to the Woodlands Partnerships are market-based, are at the same level of seniority as other operating liabilities, and are not significant to operating performance. Given these factors, the Woodlands Partnerships, collectively and individually, are not variable interest entities ("VIEs").

Based on the conclusion that the Woodlands Partnerships are not VIEs, primary beneficiary consideration is not required. In addition, based on the consideration of ASC 810 and ASC 970, the Woodlands Partnerships are accounted for as an unconsolidated real estate affiliate under the equity method of accounting and do not require consolidation with respect to ASC 810 — *Consolidation* because GGP does not unilaterally control the operations of The Woodlands Partnerships.

Accounting for 170 Retail Associates, Ltd ("Circle T") joint venture under ASC 810 (formerly Statement of Financial Accounting Standards No. 167):

On October 31, 2005, General Growth 170 LP ("GGP 170") formed Circle T, a limited partnership with GGP 170, a limited partnership 100% owned indirectly by GGPLP, as general partner, and AIL Investment, LP ("Hillwood") as limited partner. Circle T was formed to own, develop and operate a power center in Westlake (Dallas), Texas. According to the partnership agreement, the partners generally share in the profits and losses, cash flows and other matters relating to Circle T in accordance with their respective ownership percentages (50/50). However, the partnership between GGP 170 and Hillwood is structured such that, although GGP 170 has operating management authority as the general partner (for which it receives a fee as described below), all significant operating and strategic decisions for Circle T are made by the Major Decision Committee (as defined in the partnership agreement), which has 50/50 representation by GGP 170 and Hillwood. Allocations and distributions of income or loss and available cash flow are subject to certain initial preferences, expected to be satisfied in the initial operational years and related to development costs, and then governed by the 50/50 back-end percentages. Hillwood contributed the land for the project and GGP 170 is obligated to make capital contributions as required during the predevelopment period, however, once the property is operational, if the Major Decision Committee determines that additional capital is required, then each partner is required to make a capital contribution based on its respective ownership percentage.

Upon reviewing the partnership agreement and ASC 810, the Company has determined that Circle T is capable of financing its activities without additional subordinated financial support. Additionally, the partners share the power to direct activities that most significantly impact Circle T's economic performance, no single partner possesses the power to unilaterally remove the other partner, and the partners participate in the residual returns and expected losses in a manner proportionate to their ownership percentage. Finally, the fees earned for services to the joint venture are market-based, are at the same level of seniority as other operating liabilities, and are not significant to operating performance. Given these factors, Circle T is not a VIE.

Based on the conclusion that Circle T is not a VIE, primary beneficiary consideration is not required. In addition, based on the consideration of ASC 810 (in that the limited partner has substantive participating rights per the partnership agreement), Circle T is accounted for as an unconsolidated real estate affiliate under the equity method of accounting and does not require consolidation with respect to ASC 810 — *Consolidation* because GGP does not unilaterally control the operations of Circle T.

<u>Note 6 — Transactions with GGP and Other GGP Subsidiaries, page F-21</u>

43. **We note your disclosure regarding the conversion of outstanding options to acquire shares of GGP into options to acquire shares of common stock of reorganized GGP and your company. Please tell us how you intend to account for the conversion of these options. Furthermore, you**

disclose that the Plan provides that holders of such options will be given the alternative of receiving cash. Tell us what consideration you gave to discussing this cash option within your pro forma disclosures.

The Company will account for the conversion of outstanding options to acquire shares of GGP into options to acquire shares of common stock of reorganized GGP and Spinco using the guidance issued by ASC 718-20-35 concerning the subsequent measurement of exchanges of share options in conjunction with an equity restructuring. As the conversion of the GGP options into options for the common stock of reorganized GGP and the Company yields an aggregate exercise price and share of equity of the two newly created entities equivalent to the amounts of the converted options, the fair values of the prior options and the new options are the same. Accordingly, ASC 718-20-35 provides that no compensation expense would be recorded by either reorganized GGP or the Company upon such conversion. With respect to certain of the currently outstanding

GGP options, as described in the Registration Statement under the heading "Business—Our Relationship with Reorganized GGP following the Separation—Employee Matters Agreement," for which the holders of such options have the right under the existing stock plans to receive cash in lieu of options to acquire shares of common stock of reorganized GGP and the Company, election of this alternative option will be satisfied by reorganized GGP. As such, there would be no future cost to the Company. Accordingly, the Company has not made an adjustment in the pro forma statements for such cash in lieu alternative.

Note 10 Segments, page F-24

44. **You disclose that you have two business segments which offer different products and services. In particular, we note that your Strategic Development segment includes the operation, development and management of your land holdings and redevelopment sites including the current incidental rental property operations (primarily retail and other interests in real estate at such locations) as well as your one residential condominium project located in Natick (Boston), Massachusetts. Please provide us with a detailed analysis of how you determined that you only have two reportable segments. Discuss how many operating segments you have and how you determined them. Also, tell us if you have aggregated any operating segments and your basis for the aggregation, if applicable, including a comparison of the expected long-term performance of each. See ASC 280-10-50 for reference.**

The Company has performed a detailed analysis of its operations as compared to the criteria of ASC 280, reflective of the Company's future plans and expected operating structure and characteristics.

In determining the Company's operating segments, it considered ASC 280-10-50-1, which states, in part, "[a]n operating segment is a component of a public entity that has all of the following characteristics:

a) It engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same public entity).

b) Its operating results are regularly reviewed by the public entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

c) Its discrete financial information is available."

Given these criteria, each Spinco asset (including the components of the Maryland Communities) is considered a separate operating segment as a result of the following:

- each of these assets does engage in business activities from which it either currently does earn or may in the future earn revenues and incur expenses (meeting the requirement in "a" above),
- the chief operating decision maker (currently the President and Chief Operating Officer) regularly reviews the operating results of the assets and assesses performance of each of these individually (meeting the requirement in "b" above), and
- discrete financial information is available for all operating segments identified (meeting the requirement in "c" above).

The Company also considered the guidance in ASC 280-10-50-3, which allows operating segments to include business activities which have yet to earn revenues (i.e. start-up operations), The Company has identified other development and redevelopment projects and other interests as individual operating segments. Although these assets have not yet generated revenue, the Company projects their ability to generate revenue in the future and appropriately assesses them as separate operating segments.

After determining the operating segments, the Company considered ASC 280-10-50-11, in the determination of reportable segments. "Operating segments often exhibit similar long-term financial performance if they have similar economic characteristics. Two or more operating segments may be aggregated into a single operating segment if aggregation is consistent with the objective and basic principles of this Subtopic, if the segments have similar economic characteristics, and if the segments are similar in all of the following areas:

a) The nature of the products and services

b) The nature of the production processes

c) The type or class of customer for their products and services

d) The methods used to distribute their products or provide their services

e) If applicable, the nature of the regulatory environment, for example, banking, insurance, or public utilities"

Based on the above, the Company considered all the master planned communities as a single, separate reportable segment since:

- The nature of the master planned communities is the development and sale of undeveloped land, primarily individual lots for residential home construction, to residential and commercial developers.

- Although no "production" process exists, the master planned communities are developed and/or sold by Spinco in order to increase the value of the land to be developed or sold and to provide current cash flows. As such, the production process appears to be consistent across all the operating segments considered.

- All master planned communities have a similar extended year life cycle.

- Over the life of the respective communities, profit margins are expected to be comparable.

- A similar business/accounting model, targeting homebuilders as the primary customer, is used for each master planned community.

- Each master planned community has similar future economic plans for the revenues to be generated by these projects. Development requires decades of investment and a continual focus on the changing market dynamics surrounding these communities.

- The Company's internal staff has continuing relationships with national and regional homebuilders for these projects. To a limited extent, real estate brokers are used to locate land developers and builders as potential lot buyers.

- Each master planned community has similar financial risks (e.g. ability to obtain financing for projects, availability of permanent mortgage financing at acceptable

interest rates, consumer and business confidences, levels of homebuilder inventory, other factors affecting the homebuilder business and sales of residential properties generally, availability of saleable land for particular uses and the decisions to sell, develop or retain land).

- Given the nature of the business, it is likely that any economic and political changes within cities and states would have similar impacts on the master planned communities.

The Company considered the following in concluding that the strategic development assets are a single, separate reportable segment:

All assets in this segment are in various stages of the pre-development or development life cycle and therefore the limited current operating data is not necessarily reflective of future expected operating results post development. Accordingly, the Company evaluated the "similar economic characteristics" requirement, stipulated in the aggregation criteria in ASC 280-10-50-11 based on expected returns from future development and redevelopment of these assets. Although long term plans for development of these properties have not been completed and the nature and status of these developments vary as presented on page 3 of the Registration Statement, the Company expects these assets to have similar long term returns commensurate with the risks associated with development. The Company has considered the following qualitative characteristics:

- The Company's future plans for these assets involve similar goals and objectives. Customers are commercial and residential end users or the Company may retain completed projects for its own investment portfolio, in which case the customers are expected to be primarily commercial retail tenants. In general, the Company's primary business strategy for the assets within this segment is to develop or redevelop them into new or revitalized commercial and/or residential properties for rental operations, condominium or bulk sale or joint venture opportunities to maximize the return for investors rather than operate these assets in their current condition. Nouvelle at Natick is aggregated within this segment as the development activities already undertaken at this project represent a similar redevelopment of an existing asset into a residential property sale. Accordingly, such various Strategic Development projects are expected to generate similar long-term yields on invested capital.

- Although no "production" process exists, the plans with respect to these assets are to develop them for a variety of uses (residential, commercial, retail) or as mixed-use properties, which have a combination of uses. As such, the production process appears to be consistent across all the operating segments considered.

- Development of these projects will require additional capital.

- As these various assets within Strategic Development stand currently, it will be necessary for the Company to invest additional time planning, renovating, expanding, or constructing new structures in order to bring the properties up to their highest and best use.

- Although the nature and type of the Strategic Development assets vary as they currently stand, they have similar long-term development and redevelopment risks.

Accordingly, based on the above qualitative factors, it is reasonable to group these assets into a separate reportable segment.

Spinco, Inc. Audited Combined Financial Statements

Notes to Combined Financial Statements, page F-36

Note 2 Summary of Significant Accounting Policies, page F-38

Revenue Recognition and Related Matters, page F-47

45. **You disclose on page F-48 that revenues from land sales are recognized using the full accrual method provided that various criteria relating to the terms of the transactions and your subsequent involvement with the land sold are met. Please expand your disclosure to discuss the various criteria that must be met.**

The Company has revised the disclosure on pages F-15 and F-50 of the Registration Statement to include the following: "[c]riteria include the consummation of the sale with all consideration being exchanged, demonstration of the collectability of the sales price, the transfer of usual risks and rewards of ownership to the buyer and absence of substantial continuing involvement from the seller."

TWLDC Holdings, L.P. Audited Consolidated Financial Statements

Independent Accountants' Report, page F-75

46. **Please revise to include the city and state where the report was issued in accordance with Rule 2-02 of Regulation S-X.**

The independent accountants' reports on pages F-76 and F-100 of the Registration Statement have been revised to include the city and state where the report was issued in accordance with Rule 2-02 of Regulation S-X.

Exhibits

47. **We note your disclosure on page 36 that you will enter into a surety bond indemnity agreement that will govern the continuation of certain surety bonds that were issued under GGP's surety bond facilities in respect of projects related to your business. Please file your surety bond indemnity agreement with GOP as an exhibit to your registration statement in accordance with Item 601(b)(10) of Regulation S-K or tell us why you believe it is not a material contract.**

The Company respectfully advises the Staff that the surety bond indemnity agreement is not material (valued at approximately $20 million) and is an ordinary course agreement. Accordingly, the Company does not believe that it is required to be filed under Item 601(b)(10) of regulation S-K.

48. **Please submit all exhibits as promptly as possible. We will review the exhibits prior to effectiveness of the registration statement and may have further comments after our review.**

The Company has supplementally provided to the Staff forms of the Amended and Restated Certificate of Incorporation, the Amended and Restated Bylaws, the Indemnification Agreement and the 2010 Equity Incentive Plan, as final forms of these documents are not yet available. The Company has filed the form of Separation Agreement, the form of Transition Services Agreement, the Management Services

Agreement, and a list of subsidiaries of the Company. The Company will file all remaining exhibits as soon as they are available.

In response to the Staff's request, the Company has authorized the undersigned to acknowledge the following on the Company's behalf:

- The Company is responsible for the adequacy and accuracy of the disclosure in the filing:
- Staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- The Company may not assert Staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

We would very much appreciate receiving the Staff's comments, if any, with respect to the Amendment as promptly as applicable. If it would expedite the review of the information provided herein, please do not hesitate to call the undersigned at (212) 310-8165.

Sincerely,

/s/ MATTHEW D. BLOCH

Mathew D. Bloch