

**Plain English Summary of the Auction Methodology in the
General Growth Properties, Inc. First Lien Loan Auction Settlement Terms**

This summary is based on the LCDS Auction Settlement Terms for General Growth Properties, Inc. First Lien Loans, as published by ISDA and Markit North America, Inc., the successor to CDS IndexCo LLC (the **Index Publisher**) on May 8, 2009 (the **Auction Terms**) and summarizes the auction methodology in the Auction Terms (the **Auction Methodology**). This summary is for informational purposes only, is not a summary of the entire Auction Terms and is subject to the Auction Terms in all respects. Market participants should examine the text of the Auction Terms itself before taking any action with respect thereto. Neither ISDA nor the Index Publisher makes any representation or warranty as to the accuracy or completeness of any information contained in this summary nor accepts any liability for the accuracy or completeness of such information. All times of day herein refer to such times in New York City. Capitalized terms used but not defined in this summary having the meaning specified in the Auction Terms.

Important Dates

- May 8, 2009 Auction Terms published
- May 11, 2009 Cut-off Date for submitting a Bidding Agreement Letter
- May 12, 2009 Deadline for submission of Physical Settlement Requests by customers
- May 13, 2009 Auction Date
- May 20, 2009 Cash Settlement Date for Covered Transactions
- May 18, 2009 Deadline for receipt of Notice of Physical Settlement for trades formed under the Auction Terms

Covered Transactions

The Auction Terms covers the following types of transactions, as further set out in Section 17 of the Auction Terms:

- Single-name LCDS transactions, the documentation for which is based on the Syndicated Secured Loan Credit Default Swap Standard Terms Supplement (the **LCDS Standard Terms**) published by ISDA on May 22, 2007. This includes LCDS transactions documented under the LCDS Standard Terms published by ISDA on June 8, 2006, provided both parties adhered to the ISDA LCDS Protocol;
- Untranched LCDX transactions and portfolio LCDS transactions, the documentation for which is based on the LCDX Untranched Transactions Standard Terms Supplement published by ISDA and the Index Publisher on May 22, 2007 and the LCDS Standard Terms published by ISDA on May 22, 2007, respectively; and
- Tranching portfolio LCDS transactions, including tranching LCDX transactions, the documentation for which is based on the LCDX Tranche Transactions Standard Terms Supplement published by ISDA and the Index Publisher on September 25, 2007 or a predecessor draft of that document;

provided (a) General Growth Properties, Inc. is a Reference Entity under the Transaction, with First Lien Loan as the Designated Priority, (b) the Effective Date is on or prior to April 16, 2009 and the Scheduled Termination Date is on or after April 16, 2009, (c) an Event Determination Date for the Transaction occurred on or before May 13, 2009 and (d) the relevant portion of the Transaction is still outstanding.

Auction Timing

May 11, 2009

Before 5:00 p.m. Participating Bidders submit Bidding Agreement Letters.

On or before May 12, 2009

The Administrators publish a list of the Participating Bidders.

Customers who wish to must submit Physical Settlement Requests to Participating Bidders.

May 13, 2009 (Auction Date)

The Deliverable Obligations for the Auction are:

	Initial Amount	Maturity	Initial Spread	MLID
Revolving Credit Facility	\$650 mm	2/24/10	LIBOR + 150 BPs	ML0001180
Tranche A-1 Term Loan Facility	\$2,850 mm	2/24/10	LIBOR + 150 BPs	ML0001181

Between **9:45 a.m. and 10:00 a.m.**, Participating Bidders submit Inside Market Bids, Inside Market Offers, Dealer Physical Settlement Requests and Customer Physical Settlement Requests (to the extent received from customers). Physical Settlement Requests must be for an amount equal to \$2 million or an integral multiple of \$1 million above such amount.

- Inside Market Bids and Inside Market Offers are firm quotations, expressed as percentages, to enter into credit derivative transactions in respect of General Growth Properties, Inc. on terms equivalent to the Representative Auction-Settled Transaction specified in the Auction Terms. The Representative Auction-Settled Transaction is generally a deemed standard, single-name loan credit default swap referencing General Growth Properties, Inc. First Lien Loans and assuming an Event Determination Date of April 16, 2009.
- A Participating Bidder's Inside Market Bid and Inside Market Offer must differ by no more than 3% of par and must be in the size specified in the Auction Terms (\$2 million).
- Dealer Physical Settlement Requests and Customer Physical Settlement Requests are firm commitments, submitted by a Participating Bidder, on its own behalf or on behalf of a customer, as applicable, to enter into a Representative Auction-Settled Transaction. Each Dealer Physical Settlement Request must be, to the best of such Participating Bidder's knowledge and belief, in the same direction as, and not in excess of, its Market Position. Each Customer Physical Settlement Request must be, to the best of the relevant customer's knowledge and belief (aggregated with all Customer Physical Settlement Requests submitted by such customer), in the same direction as, and not in excess of, its Market Position.¹
- If the Administrators do not receive Valid Inside Market Submissions from at least seven Participating Bidders, the timeline will be adjusted according to the Auction Methodology, otherwise it will proceed as follows.

Between **10:00 a.m. and 10:30 a.m.** the Administrators calculate the Open Interest, the Inside Market Midpoint and any Adjustment Amounts in respect of the Auction.

¹ "**Market Position**" means, in respect of a customer or a Participating Bidder, the aggregate amount of Deliverable Obligations the relevant Participating Bidder or customer, as applicable, would have to buy or sell in order to obtain an identical risk profile with respect to both (a) all Covered Transactions to which it or any of its affiliates is a party and (b) all Auction-Linked Cash Settled Transactions, after settlement under the Auction Terms compared to its risk profile before settlement under the Auction Terms, such risk profile to be determined without regard to whether the original transactions were documented as cash settled or physically settled transactions.

- The Open Interest is the difference between all Physical Settlement Sell Requests and all Physical Settlement Buy Requests.
- To determine the Inside Market Midpoint, the Administrators (a) sort the Inside Market Bids in descending order and the Inside Market Offers in ascending order, identifying Non-Tradeable Markets for which bids are lower than offers, (b) sort Non-Tradeable Markets in terms of tightness of spread between Inside Market Bid and Inside Market Offer and (c) identify that half of the Non-Tradeable Markets with the tightest spreads. The Inside Market Midpoint is determined as the arithmetic mean of the Inside Market Bids and Inside Market Offers contained in the half of Non-Tradeable Markets with the tightest spreads.
- Any Participating Bidder whose Inside Market Bid or Inside Market Offer forms part of a tradeable market will be required to make a payment to ISDA (an **Adjustment Amount**), calculated in accordance with the Auction Methodology.
- If for any reason no single Inside Market Midpoint can be determined, the procedure set out above may be repeated as set out in the Auction Methodology.

No later than **10:30 a.m.**, the Administrators will publish the size and direction of the Open Interest, the Inside Market Midpoint and the details of any Adjustment Amounts.

Between **12:45 p.m. and 1:00 p.m.**, Participating Bidders submit Limit Bids (if the Open Interest is an offer to sell Deliverable Obligations) or Limit Offers (if the Open Interest is a bid to purchase Deliverable Obligations) on behalf of customers and for their own account. Limit Bids or Limit Offers must be for an amount equal to \$2 million or an integral multiple of \$1 million above such amount.

- If the Open Interest is zero, the Final Price will be the Inside Market Midpoint.
- If the Open Interest is a bid to purchase Deliverable Obligations, the Administrators will match the Open Interest against all Inside Market Offers and Limit Offers as further described in the Auction Methodology. If the Open Interest is an offer to sell Deliverable Obligations, the Administrators will match the Open Interest against all Inside Market Bids and Limit Bids as further described in the Auction Methodology.
- The Final Price will be the price associated with the matched market that is the highest offer or the lowest bid, as applicable, provided that (a) if the Open Interest is an offer to sell and the price associated with the lowest matched bid is more than 1% of par higher than the Inside Market Midpoint, then the Final Price will be the Inside Market Midpoint plus 1% of par and (b) if the Open Interest is a bid to purchase and the price associated with the highest matched offer is more than 1% of par lower than the Inside Market Midpoint, then the Final Price will be the Inside Market Midpoint minus 1% of par.
- If, once all the Inside Market Bids and Limit Bids or Inside Market Offers and Limit Offers, as applicable, have been matched to the Open Interest, part of the Open Interest remains, the Final Price will be (a) if the Open Interest is a bid to purchase Deliverable Obligations, the greater of (x) 100% of par and (y) the highest Limit Offer or Inside Market Offer received or (b) if the Open Interest is an offer to sell Deliverable Obligations, zero.

No later than **2:00 p.m.**, the Administrators will publish (a) the Final Price, (b) the names of the Participating Bidders who submitted bids, offers and Physical Settlement Requests, together with the details of all such bids and offers submitted by each and (c) the details and size of all matched trades.

Execution of Trades Formed in the Auction

Each Participating Bidder whose Limit Bid or Inside Market Bid (or Limit Offer or Inside Market Offer if applicable) is matched against the Open Interest, and each Participating Bidder that submitted a Physical Settlement Request, is deemed to have entered into a Representative Auction-Settled Transaction. Accordingly, each such Participating Bidder that is a seller of Deliverable Obligations pursuant to such trade must deliver by **4:00 p.m. on May 20, 2009** to the buyer to whom such Participating Bidder has been matched a Notice of Physical Settlement indicating the Deliverable Obligations that it will deliver, and such Deliverable Obligations will be delivered to the buyer in exchange for payment based on the Final Price determined in the Auction pursuant to the LCDS Physical Settlement Terms published by The Loan Syndications and Trading Association, Inc. Similarly, customers with Physical Settlement Requests, or with Limit Bids or Limit Offers that are matched, are deemed to have entered into a Representative Auction-Settled Transaction with the Participating Bidder that transmitted the order. If the seller of

Deliverable Obligations fails to deliver the Deliverable Obligations specified in the relevant Notice of Physical Settlement, the buyer of Deliverable Obligations will have the applicable remedies set forth in the LCDS Physical Settlement Terms.