General Growth Properties
"*Fool's Gold*"

We Think Current Equity Investors Will Be Disappointed in the Company's Reorganization

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Our Thesis

- Due to highly leveraged acquisitions near the peak of the cycle, a decline in the overall economy, and insufficient capital spending, we believe the assets of General Growth no longer support the current capital structure.
- In our view:

  -- the company's cash flows are insufficient to service the debt and pay for maintenance capital at its malls; and

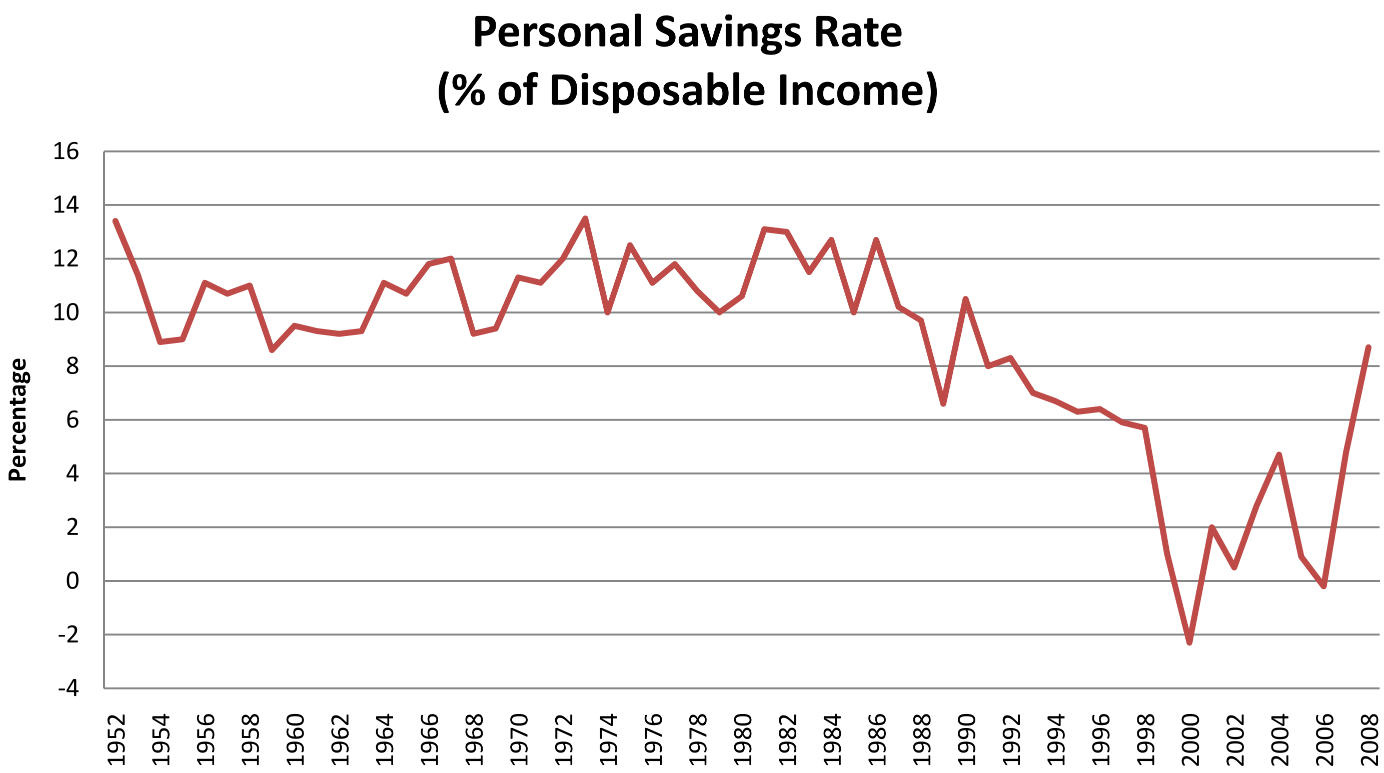
  -- the bankruptcy is not just the result of a liquidity problem; it is a cash flow and loan-to-value problem.
- We believe the value of the assets no longer exceed the value of the debt, in contrast to several recent analyses.
- **Despite recent upward move in the GGWPQ share price, we believe current equity investors are likely to be left with little in the restructured entity.**

NOTE: THAT FUNDS ADVISED BY HOVDE CAPITAL ADVISORS, LLC AND ONE OF ITS PRINCIPALS HAVE SHORT POSITIONS IN GGWPQ. SEE ADDITIONAL IMPORTANT DISCLOSURES AT PAGES 26 AND 27.

The Demise of Malls in America

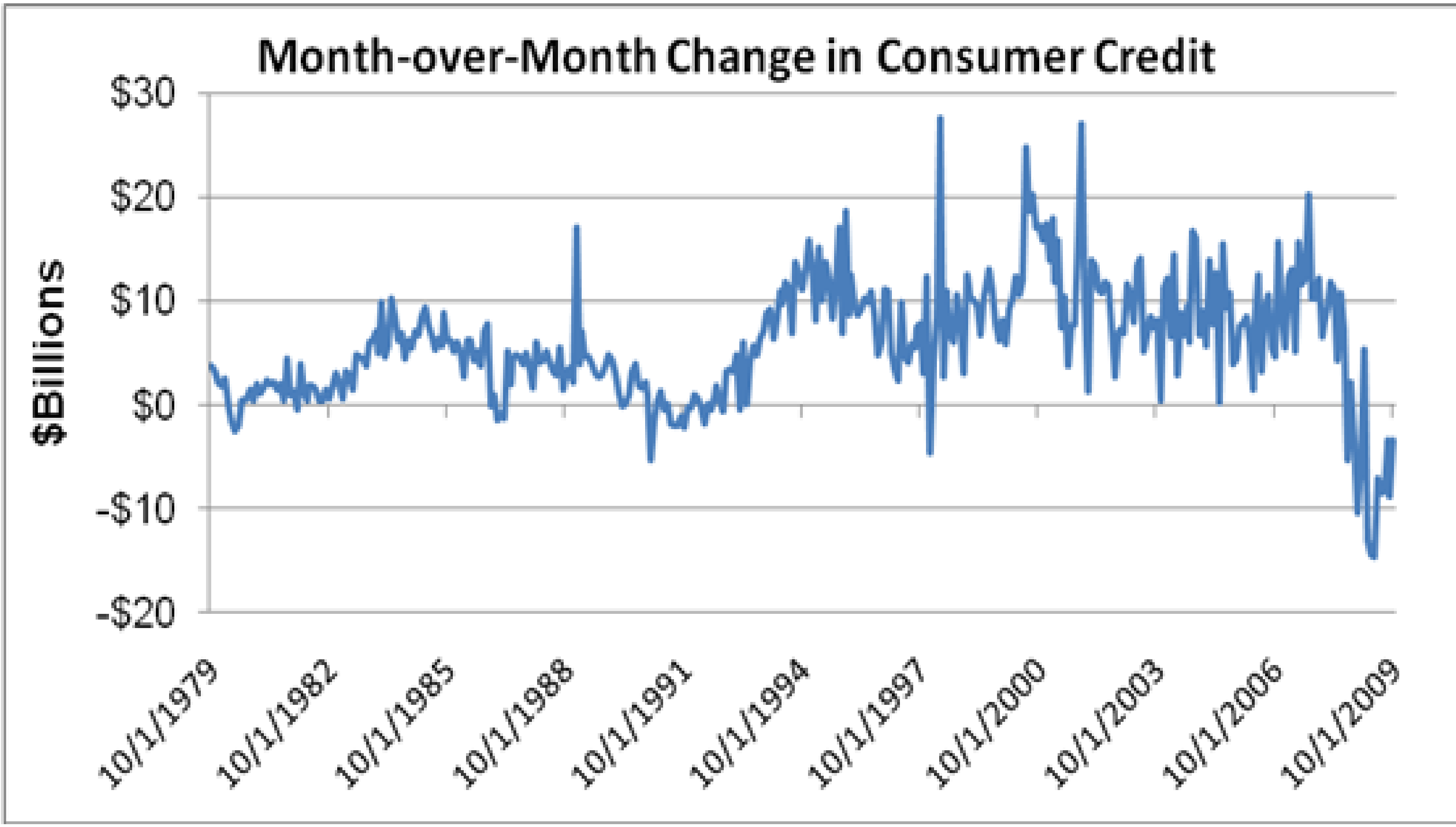
Structural Change in Retail Consumption and Distribution

Consumers Are Saving More and Spending Less



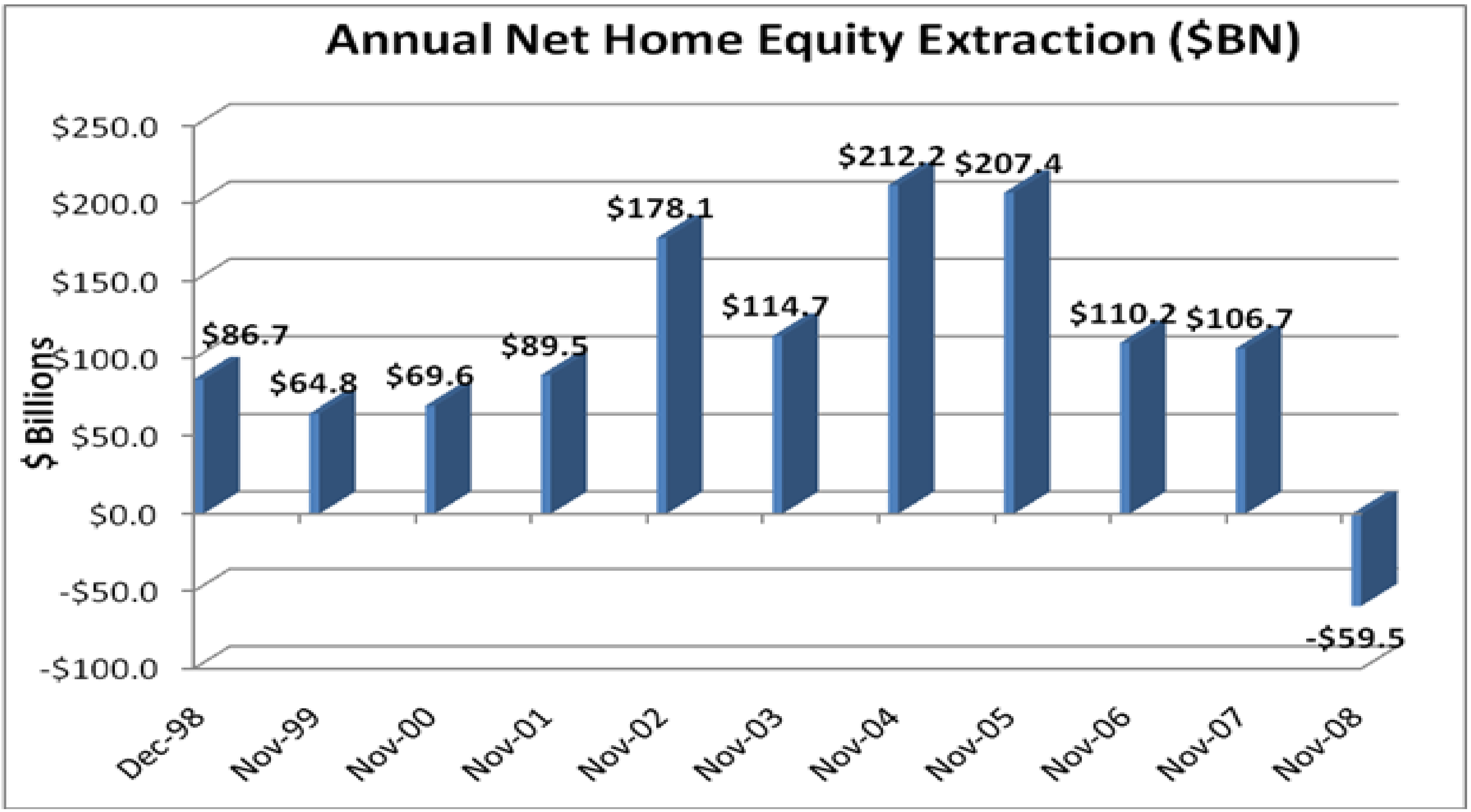
Source: U.S. Bureau of Economic Analysis.

Consumers Have Less Access to Credit



Source: Federal Reserve.

Consumers Have Less Home Equity Available to Support Spending



Source: Federal Reserve.

Consumers Are Focused on Value

- Given lower levels of discretionary income and higher savings rates, we believe consumers are seeking more value in their consumption habits.
- This is evident in the outperformance of discount retailers versus broader retail sales. These retailers tend to be discounters and in non-mall locations, typically stand alone or located in strip centers and power centers.
- In our view, outlets are also likely to gain share, which we think is demonstrated in the recently announced acquisition of Prime Outlets by Simon Properties Group (NYSE:SPG). The outlet business offers consumers better value, offers retailers lower occupancy costs, and provides landlords with better margins.
- Online shopping has experienced tremendous growth in share of retail spending as consumers seek value and efficiency.
- **These trends do not bode well for mall fundamentals since neither are mall based.**

Non-Mall Retailers Are Seeing Improving Performance

Same-Store Retail Sales (% Chg.)	Nov-09	Oct-09	Sep-09	Aug-09	Jul-09	Jun-09	May-09	Apr-09	Mar-09	Feb-09	Jan-09	Dec-08
Non-Mall Average	**1.2**	**2.8**	**1.4**	**(0.9)**	**(4.0)**	**(4.4)**	**(1.8)**	**(1.7)**	**(2.7)**	**(3.4)**	**(8.5)**	**(4.8)**
BJ's Wholesale Club Inc	1.0	3.7	5.5	2.2	1.8	2.7	4.0	(4.9)	8.5	8.2	7.6	5.9
Cato Corp/The	2.0	-	6.0	5.0	(3.0)	(3.0)	(3.0)	11.0	6.0	8.0	(10.0)	(2.0)
Costco Wholesale Corp	2.0	4.0	4.0	2.0	(1.0)	1.0	1.0	-	4.0	4.0	5.0	2.0
Kohl's Corp	3.3	1.4	5.5	0.2	0.4	(5.6)	(0.4)	(6.2)	(4.3)	(1.6)	(13.4)	(1.4)
Nordstrom: Rack Stores	3.3	5.9	-	3.8	(0.5)	0.6	2.2	4.4	0.1	(0.6)	(2.2)	(1.8)
Old Navy North Amer	6.0	14.0	13.0	4.0	(8.0)	(7.0)	3.0	1.0	-	(13.0)	(34.0)	(16.0)
Rite Aid Corp	(0.8)	(0.5)	(0.3)	(1.9)	(0.6)	(0.6)	0.6	1.8	(0.7)	(0.9)	1.0	(0.2)
Ross Stores Inc	8.0	9.0	8.0	6.0	4.0	1.0	4.0	6.0	3.0	1.0	(2.0)	-
Stage Stores Inc	(12.5)	(0.1)	(5.6)	(9.5)	(11.9)	(12.6)	(7.2)	(1.5)	(15.0)	(8.6)	(13.1)	(4.9)
Stein Mart Inc	(7.2)	(4.9)	(5.4)	(8.9)	(5.5)	(8.0)	0.2	(12.3)	(1.4)	(12.2)	(16.7)	(8.5)
Target Corp	(1.5)	(0.1)	(1.7)	(2.9)	(6.5)	(6.2)	(6.1)	0.3	(6.3)	(4.1)	(3.3)	(4.1)
TJX Cos Inc	8.0	10.0	7.0	5.0	4.0	4.0	5.0	3.0	2.0	-	(4.0)	-
Walgreen Co	3.9	(6.2)	(17.6)	(16.6)	(25.5)	(23.0)	(27.0)	(24.6)	(31.2)	(24.2)	(25.8)	(31.2)

Source: Bloomberg.

Mall-Based Retailers are Performing Poorly

We Believe This Is Likely to Lead to Retail Bankruptcies and Store Closings

Same-Store Retail Sales (% Chg.)

	Nov-09	Oct-09	Sep-09	Aug-09	Jul-09	Jun-09	May-09	Apr-09	Mar-09	Feb-09	Jan-09	Dec-08
Mall-based Average	**(6.7)**	**(2.6)**	**(3.8)**	**(9.3)**	**(10.5)**	**(10.6)**	**(10.1)**	**(6.1)**	**(11.6)**	**(8.3)**	**(10.6)**	**(8.6)**
Abercrombie & Fitch Co	(17.0)	(15.0)	(18.0)	(29.0)	(28.0)	(32.0)	(28.0)	(22.0)	(34.0)	(30.0)	(20.0)	(24.0)
Aeropostale Inc	7.0	3.0	19.0	9.0	6.0	12.0	19.0	20.0	3.0	11.0	11.0	12.0
American Eagle Outfitters Inc	(2.0)	(5.0)	-	(7.0)	(11.0)	(11.0)	(7.0)	(5.0)	(16.0)	(7.0)	(22.0)	(17.0)
Banana Republic N. Amer	(4.0)	5.0	(12.0)	(8.0)	(7.0)	(20.0)	(14.0)	(8.0)	(16.0)	(16.0)	(22.0)	(15.0)
Bon-Ton Stores Inc/The	(6.0)	3.1	(4.8)	(5.1)	(9.8)	(8.0)	(12.1)	(5.1)	(11.2)	(8.5)	(8.2)	(5.8)
Buckle Inc/The	1.4	4.3	5.1	3.6	2.8	9.6	13.4	18.2	14.7	21.0	14.7	13.5
Childrens Place Retail Stores Inc/The	(13.0)	(2.0)	4.0	(8.0)	(4.0)	(12.0)	(9.0)	5.0	(2.0)	-	(11.0)	-
Destination Maternity Corp	(11.6)	(5.2)	(7.0)	(10.6)	(8.3)	(10.7)	(5.4)	(1.2)	(7.6)	(3.5)	5.1	(6.9)
Dillard's Inc	(11.0)	(8.0)	(6.0)	(12.0)	(12.0)	(14.0)	(12.0)	(6.0)	(19.0)	(13.0)	(12.0)	(5.0)
Gap North America	(4.0)	(6.0)	(8.0)	(7.0)	(9.0)	(10.0)	(11.0)	(10.0)	(14.0)	(12.0)	(18.0)	(12.0)
HOT Topic Inc	(11.7)	(2.6)	(4.0)	(8.1)	(8.5)	(7.9)	(6.4)	3.1	7.1	10.8	6.0	4.3
JC Penney Co Inc	(5.9)	(4.5)	(1.4)	(7.9)	(12.3)	(8.2)	(8.2)	(6.6)	(7.2)	(8.8)	(16.4)	(8.1)
Ltd Brands Inc	3.0	(4.0)	1.0	(4.0)	(7.0)	(12.0)	(7.0)	(6.0)	(9.0)	(7.0)	(9.0)	(10.0)
Macy's Inc	(6.1)	(0.8)	(2.3)	(8.1)	(10.7)	(8.9)	(9.1)	(9.1)	(9.2)	(8.5)	(4.5)	(4.0)
Neiman Marcus Group	(5.9)	(6.0)	(16.9)	(19.6)	(27.3)	(20.8)	(23.3)	(22.5)	(29.9)	(20.9)	(24.4)	(27.5)
Nordstrom: Full-line Stores	(0.6)	3.7	(3.9)	(12.9)	(7.8)	(13.6)	(16.7)	(13.4)	(16.9)	(19.7)	(18.1)	(12.8)
Saks Inc	(26.1)	0.7	(11.6)	(19.6)	(16.3)	(4.4)	(26.6)	(32.0)	(23.6)	(26.0)	(23.7)	(19.8)
Wet Seal Inc/The	(5.0)	(1.3)	(4.5)	(11.2)	(12.1)	(11.1)	(8.4)	(2.2)	(12.5)	(6.6)	(14.7)	(12.5)
Zumiez Inc	(8.5)	(8.9)	(0.8)	(12.1)	(16.8)	(19.3)	(20.7)	(13.8)	(17.9)	(13.4)	(14.8)	(12.3)

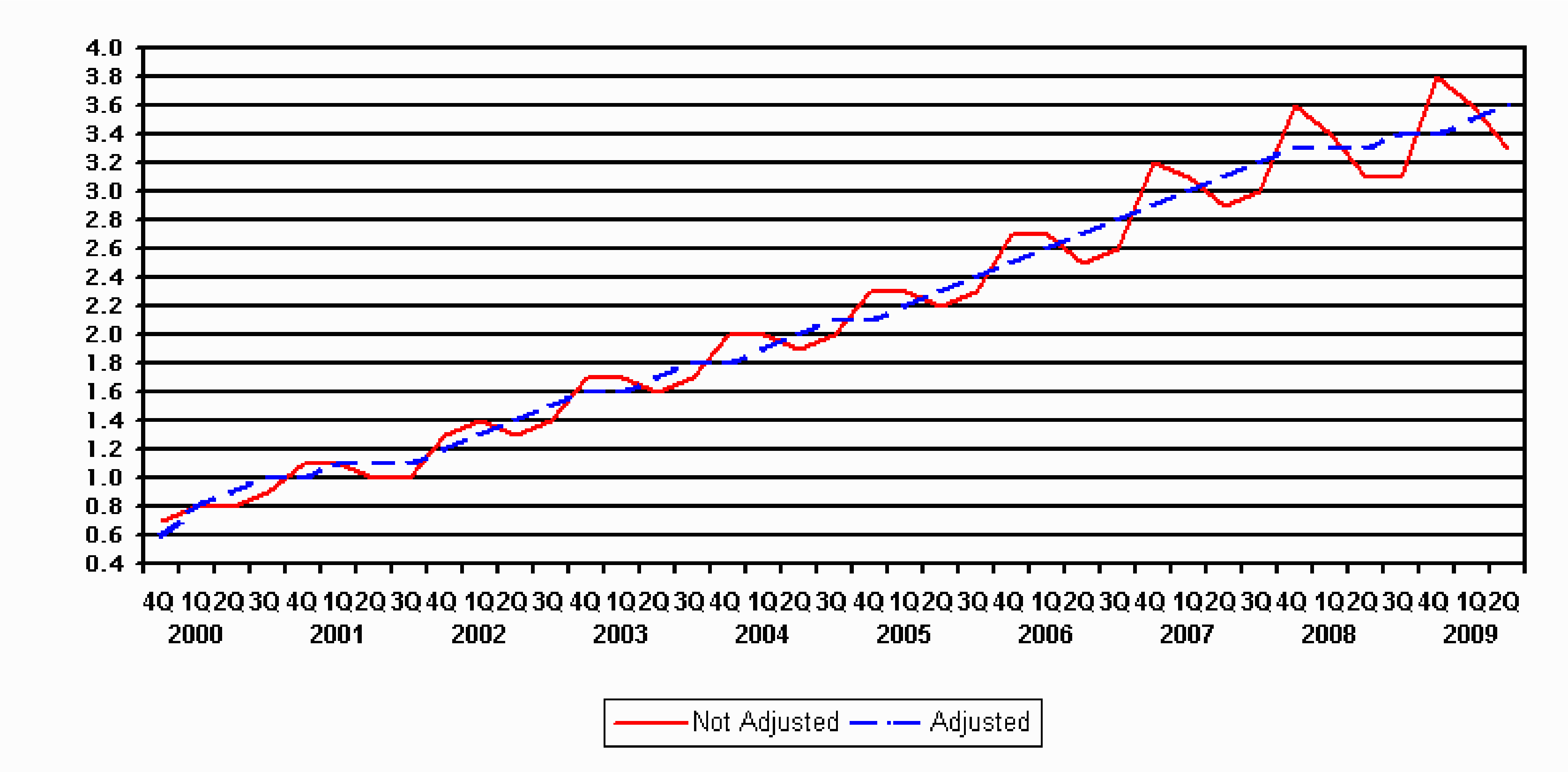
Source: Bloomberg.

Online Sales Are Gaining Share

Estimated Quarterly U.S. Retail E-commerce Sales as a Percent of Total Quarterly Retail Sales:

4th Quarter 1999 → 2nd Quarter 2009

Percent of Total



Source: U.S. Census Bureau.

The Rouse Company Acquired November 2004

The Beginning of the End

The Rouse Company Acquisition

- Purchase price: $14.3 billion.
- Portfolio of 37 regional malls (and various office assets) and $2 billion of land and lots, mostly in Summerlin (Las Vegas) – reports from market participants as noted on the next page suggest land prices in this market have fallen dramatically, and, in some cases, the land has an implied value of zero or even negative values.
- **Capitalization rate of 5.3%** - implies over $4 billion destruction of estimated asset value at today's market prices, assuming an 8% cap rate.
- **$400 million of goodwill – not only do we believe it was purchased at near-peak values, it was overvalued when they bought it!**

Source: Rouse Company SEC filings.

The Rouse Company Acquisition

- Las Vegas land is now worth materially less than in 2004. We think there is little value in the master planned community assets of General Growth.
- "…**finished lots are trading at a discount and the underlying land at many nonprime locations for residential development has virtually no value** in today's distressed market, Cherney says. There is more pain to come in this Vegas land market. The fundamentals of supply and demand are alive and well and will ensure further declines into 2009. This washout is far from over." - *Craig Cherney, director of Western operations of Philadelphia-based American Land Fund as quoted in the Las Vegas Sun, March 1, 2009.*

Valuation Analysis

Widely Relied Upon Analysis Is Outdated

- We believe many investors/speculators have relied upon a Pershing Square Capital LP analysis of the company issued in May 2009, which used data from 2008. We are of the opinion that this very dated analysis is flawed based on the deterioration in financial performance at General Growth since 2008.
- The company's actual cash flow (see p.19) is now more than 20% below 2008 levels, and rents on new leases are down 33% versus current in-place rents as of the third quarter.
- We view the 7.5% capitalization rate assumption as far too optimistic relative to private market transaction values. Macerich (NYSE:MAC) recently sold comparable and higher quality mall assets at cap rates higher than 8% (after factoring in preferred returns to investors).*
- **Bottom line: we believe the assets are worth less than the liabilities.**

*Source: Macerich press releases on September 3, 2009 and October 1st 2009; Macerich conference call November 5th, 2009.

Leverage is a Significant Valuation Factor

- Pershing Square uses Simon Properties Group (NYSE:SPG) as a comparable in their analysis without giving consideration to leverage. Simon is moderately leveraged, with debt to EBITDA of 6x, and is an investment grade rated credit. General Growth's leverage is in excess of 16x and would still be in excess of 12x even if all of the unsecured debt was converted to equity.
- **There are no comparably leveraged public companies in the mall sector, but those that are more highly leveraged trade at a significant discount to those with less leverage.** Clearly companies with less leverage trade at premium valuations as shown on the following page.

Source: General Growth third quarter 2009 supplemental package; Simon Property Group third quarter 2009 supplemental package.

Leverage Is a Significant Valuation Factor

Leverage and Valuation Comparison

	Implied Cap Rate Average	Leverage (Debt/EBITDA) Average
CBL & Associates	9.3%	8.9x
Macerich	8.3%	8.2x
Simon Property Group	7.3%	6.8x
Average	**8.3%**	**8.0x**
General Growth Properties	**?**	**16.5x**

Average of analyst estimates from ISI and Deutsche Bank as of 12/4/09; General Growth third quarter 2009 supplemental package.

Cash Flows Have Collapsed

This is the reality of today (-27% yr/yr).

This is the starting point for Pershing Square's analysis.

GENERAL GROWTH PROPERTIES, INC.
TRAILING TWELVE MONTH EBITDA AND COVERAGE RATIOS (a)
(dollars in thousands)

	Twelve Months Ended			
	9/30/09	6/30/09	3/31/2009	12/31/2008 (b)
Pro Rata EBITDA (a)				
Net (loss) income attributable to controlling interests	$ (678,863)	$ (581,877)	$ (394,724)	$ 4,719
Discontinued operations losses (gains) on dispositions	65	(17,928)	(45,946)	(46,001)
Allocation to noncontrolling interests	(5,920)	(7,746)	(7,429)	4,909
Interest expense	1,431,216	1,439,636	1,431,358	1,437,722
Provision for (benefit from) income taxes	12,726	8,334	(100)	21,586
Amortization of deferred finance costs	56,450	59,953	59,399	47,963
Debt extinguishment costs	5,954	5,547	5,214	5,007
Interest income (c)	(6,156)	(7,213)	(8,758)	(9,334)
Depreciation and amortization	918,033	919,679	924,313	896,187
Pro Rata EBITDA	$ 1,733,505	$ 1,818,385	$ 1,963,327	$ 2,362,758
Net Interest (a)				
Amortization of deferred finance costs	(56,450)	(59,953)	(59,399)	(47,963)
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Interest income (c)	6,156	7,213	8,758	9,334
Net interest	$ (1,487,464)	$ (1,497,923)	$ (1,487,213)	$ (1,481,358)
Interest Coverage Ratio	1.17	1.21	1.32	1.59
Fixed Charges (d)				
Net interest	$ (1,487,464)	$ (1,497,923)	$ (1,487,213)	$ (1,481,358)
Preferred unit distributions	(9,434)	(9,437)	(10,005)	(10,572)
Fixed charges	$ (1,496,898)	$ (1,507,360)	$ (1,497,218)	$ (1,491,930)
Ratio of Pro Rata EBITDA to Fixed Charges	1.16	1.21	1.31	1.58
Fixed Charges & Common Dividend				
Fixed Charges	$ (1,496,898)	$ (1,507,360)	$ (1,497,218)	$ (1,491,930)
Common Dividend/Distributions	(1,084)	(160,593)	(319,862)	(467,691)
Fixed Charges & Common Dividend	$ (1,497,982)	$ (1,667,953)	$ (1,817,080)	$ (1,959,621)
Ratio of Pro Rata EBITDA to Fixed Charges & Common Dividend (e)	1.16	1.09	1.08	1.21

(a) Includes operations of the Unconsolidated Real Estate Affiliates at the Company's share. The above ratios are lower than those of the revolver and term loan facility, due to certain adjustments per the loan agreement.
(b) Certain prior period amounts have been reclassified to conform to the current period presentation. In addition, as a result of the adoption of two accounting pronouncements effective January 1, 2009 which require retrospective application, certain amounts in 2008 have been restated.
(c) The twelve months ended June 30, 2009 and September 30, 2009 include interest income from cash accumulated as a result of the Chapter 11 cases of $7.3 thousand and $23.8 thousand, respectively.
(d) Excludes principal amortization payment and does not reflect any default rate interest charges.
(e) The common dividend was suspended in October 2008, and accordingly, these computed ratios may not be comparable to historical amounts or to those of our competitors.

Source: Third quarter 2009 General Growth supplemental package.

Rents Are Rolling Down Dramatically

New lease rates are 33% lower than in-place rents. This is not good for the NOI outlook.

GENERAL GROWTH PROPERTIES, INC.
OPERATING STATISTICS, CERTAIN FINANCIAL INFORMATION & TOP TENANTS (a)
AS OF SEPTEMBER 30, 2009

OPERATING STATISTICS (b)	Consolidated Retail Properties	Unconsolidated Retail Properties	Company Retail Portfolio (c)
Occupancy	90.6%	93.6%	91.3%
Trailing 12 month total tenant sales per sq. ft.	$397	$447	$409
% change in total sales	-9.1%	-12.1%	-9.8%
% change in comparable sales	-10.3%	-12.1%	-10.7%
Mall and freestanding GLA (in sq. ft.)	51,058,451	14,473,970	65,532,421
CERTAIN FINANCIAL INFORMATION			
Average annualized in place sum of rent and recoverable common area costs per sq. ft. (d) (e)	$46.57	$54.44	
Average sum of rent and recoverable common area costs per sq. ft. for new/renewal leases (d) (e)	$31.29	$42.23	
Average sum of rent and recoverable common area cost per sq. ft. for leases expiring in 2009 (d) (e)	$35.43	$47.05	
Three month percentage change in comparable real estate property net operating income (versus prior year comparable period) (f)	-6.3%	-2.7%	

Source: Third quarter 2009 General Growth supplemental package.

NOI Sensitivity Drives Valuation

- The decline in NOI since 2008 drives a decline in enterprise value of $3.8-$4.3 billion under the Pershing Square valuation framework.
- Applying Q3 annualized NOI to the Pershing Square valuation analysis, the implied equity value per share of the company today is NEGATIVE $5.03 at an 8.5% cap rate and +$5.73 at a 7.5% cap rate.

Source: "The Buck's Rebound Begins Here" dated May 27, 2009 – Pershing Capital Management, L.P. (p. 56) and Hovde Capital Advisors LLC analysis (see page 30).

Recent Comparable Transactions Indicate Cap Rates Are Higher

- *Macerich's (NYSE: MAC) sale of JV interest in Queens Center (NYC, NY) to Cadillac Fairview Corporation at a "low 7% cap" – per company management.
- This mall generates $876/square foot in sales versus General Growth's $409/square foot.

*Source: Macerich press release July 30, 2009; Macerich conference call November 5th, 2009; third quarter 2009 General Growth supplemental package.

Recent Comparable Transactions Indicate Cap Rates Are Higher

- *Macerich's (NYSE: MAC) sale of JV interests in malls to Heitman and GI Partners at a "less than 100 basis points over the 7.5% cap rate on average." – per Arthur Coppola (11/5/09 conference call). Thus we infer the effective implied cap rate is in the 8.0%-8.5% range.
- These malls generate $443-$500/square foot in sales versus General Growth's $409/square foot.

*Source: Macerich press releases on September 3, 2009 and October 1st, 2009; Macerich conference call November 5th, 2009.

Recent Comparable Transactions Indicate Cap Rates Are Higher

- The recently announced acquisition of Prime Outlets by Simon Property Group (NYSE:SPG) was estimated to be priced at an 8.0%-8.4% cap rate on in-place NOI based on some Wall Street estimates.(1)
- These malls generate $370/square foot in sales versus General Growth's $409/square foot, however, outlet malls generally tend to generate slightly higher NOI margins than regional mall format in our view.

(1) Deutsche Bank estimate 8.4% (report dated 12/8/09, titled "SPG Acquiring Prime Outlets.") Sandler O'Neil estimates ~8% cap rate (report dated 12/8/09, titled "SPG: Stocking Up Before the Holidays; SPG to Acquire Prime Outlets."

What Is the Appropriate Cap Rate?

- Based on recent comparable transactions, the use of a cap rate below 8% seems disconnected with reality in our view.
- We would argue a cap rate in the 8.5% range or higher would be more appropriate for the General Growth portfolio, given the below average productivity of its malls* and the fact that it is experiencing significant declines in new rents that in our opinion will drive lower revenues and NOI for some period of time.

* Source: based on Q3-09 disclosures from Macerich and Simon Properties Group.

Interest Coverage Is Unsustainable

(This is cash flow problem, not just a liquidity problem)

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TRAILING TWELVE MONTH EBITDA AND COVERAGE RATIOS (a)
(dollars in thousands)

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(e) The common dividend was suspended in October 2008, and accordingly, these computed ratios may not be comparable to historical amounts or to those of our competitors.

Interest coverage has fallen to minimal levels (1.17x) – this is before capital expenditures.

Source: Third quarter 2009 General Growth supplemental package.

Amortizing Secured Debt Will Further Reduce Debt Service Capacity

- Recent agreement with $9.7 billion of secured creditors requires that interest-only debt now amortizes principal on a 30 year schedule.
- This will add over $300 million of annual debt service initially, which steps up over time, i.e. increasing amortization.
- By our estimates, this will initially drive the company's debt service coverage ratio to 1.0x or below based on the company's trailing 12-month EBITDA as of 9/09.
- Based on the company's projections, debt service coverage for the properties secured by these loans will be 1.0x in 2010, before considering mandatory principal paydowns and other cash costs.

Source: US_ACTIVE:\43244255\04\47658.0008, debtor's plan filed 12/1/09; third quarter 2009 General Growth supplemental package.

Creditors Will Take the Cash

- Cash ($2/share) will likely be paid out to creditors in the form of fees and reimbursement of legal expenses.
- According to documents recently filed in bankruptcy court, General Growth will be forced to pay $423.2 million in extension fees, servicer fees and expenses, catch-up amortization payments, accrued interest, the funding of certain escrows and other expenses.
- This is only related to the agreement on $9.7 billion of secured loans, so we believe the cost to secure agreements to restructure the remaining $12 billion of debt will likely cost significantly more if the costs are comparable to this agreement.
- Given our view that the cash costs of the restructurings will likely exceed the company's current cash position, we believe additional claims will likely be settled in equity ownership, suggesting little if any recovery for common shareholders.

Source: US_ACTIVE:\43244255\04\47658.0008, Exhibit 3, filed 12/7/09.

Valuation

Pershing Square's Analysis Uses Dated NOI

This is Q3 annualized NOI, and rents are rolling down sharply (-33%), which will drive lower NOI.

This is from 2008

Cash will be paid to creditors in fees and recovery of legal expenses.

Pershing Square Analysis Framework

($ in millions, except per share data)	Low	High	More Realistic Scenario	
LTM Cash NOI	**$ 2,524**	**$ 2,524**	**$ 2,200 (1)**	**$ 2,200 (1)**
Cap Rate	**8.5%**	**7.5%**	**8.5%**	**7.5%**
Implied Value of GGP's REIT	29,694	33,653	25,882	29,333
Pro Rata for JVs:				
Less: Total Debt	(28,174)	(28,174)	(28,174)	(28,174)
Less: Preferred Debt	(121)	(121)	(121)	(121)
Less: Other Liabilities	(1,585)	(1,585)	(1,585)	(1,585)
Plus: Cash	**722**	**722**	**0**	**0**
Plus: Other Assets	1,777	1,777	1,777	1,777
Plus: Development Pipeline	603	603	603	603
Implied Equity Value	$ 2,916	$ 6,875	**$ (1,618)**	**$ 1,833**
Per Share	**$ 9.11**	**$ 21.50**	**$ (5.06)**	**$ 5.73**

(1) See calculation of NOI on the page 30.

Source: "The Buck's Rebound Begins Here" dated May 27, 2009 – Pershing Square Capital Management, L.P. (p. 56) and Hovde Capital Advisors LLC analysis.

Calculation of Today's NOI

Net Operating Income Calculation (as of Q3-09)
(figures in 000s)

Consolidated & JV Share NOI (as reported)	$	585,203
Less: lease termination fees	$	3,859
Less: above/below-market rents	$	3,121
Less: straight lined rents	$	11,478
Less: tenant allowances & leasing costs	$	16,620
Less: capital expenditures	$	3,362
Plus: non-cash ground rent expense	$	1,823
Total NOI	$	548,586
Total Annualized NOI (x4)	**$**	**2,194,344**

Source: Third quarter 2009 General Growth supplemental package.

Valuation

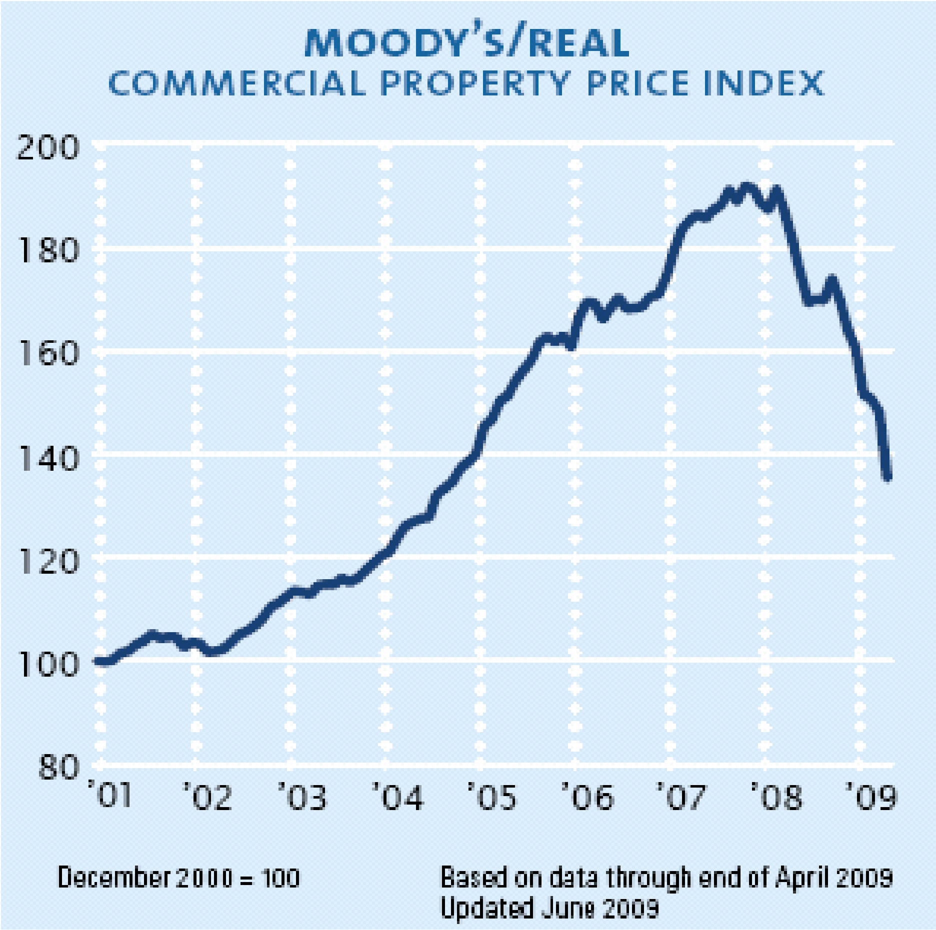
Assumes unsecured debt would require a moderate discount to convert, although it is questionable in our view whether there will be any value for existing shareholders given that we believe the value of the debt exceeds that of the assets.

	Best Case				Realistic Case			
	Best Case - Assuming Conversion Conversion Price Range $5-$8				Realistic Scenario - Assuming Conversion Conversion Price Range $3-$6			
($ in millions, except per share data)								
Annualized Cash NOI (1)	$ 2,200	$ 2,200	$ 2,200	$ 2,200	$ 2,200	$ 2,200	$ 2,200	$ 2,200
Cap Rate	**7.5%**	**7.5%**	**7.5%**	**7.5%**	**8.5%**	**8.5%**	**8.5%**	**8.5%**
Implied Value of GGP's REIT	29,333	29,333	29,333	29,333	25,882	25,882	25,882	25,882
Pro Rata for JVs:								
Less: Total Debt	(21,174)	(21,174)	(21,174)	(21,174)	(21,174)	(21,174)	(21,174)	(21,174)
Less: Preferred Debt	(121)	(121)	(121)	(121)	(121)	(121)	(121)	(121)
Less: Other Liabilities	(1,585)	(1,585)	(1,585)	(1,585)	(1,585)	(1,585)	(1,585)	(1,585)
Plus: Cash (2)	-	-	-	-	-	-	-	-
Plus: Other Assets	1,777	1,777	1,777	1,777	1,777	1,777	1,777	1,777
Plus: Development Pipeline	603	603	603	603	603	603	603	603
Implied Equity Value	**$ 8,833**	**$ 8,833**	**$ 8,833**	**$ 8,833**	**$ 5,382**	**$ 5,382**	**$ 5,382**	**$ 5,382**
Per Share	**$ 5.14**	**$ 5.94**	**$ 6.69**	**$ 7.39**	**$ 2.03**	**$ 2.60**	**$ 3.13**	**$ 3.62**
Assumed conversion price:	$ 5.00	$ 6.00	$ 7.00	$ 8.00	$ 3.00	$ 4.00	$ 5.00	$ 6.00

(1) See calculation on page 24.
(2) Assumes cash is paid out to creditors in forbearance fees and reimbursement of legal expenses.

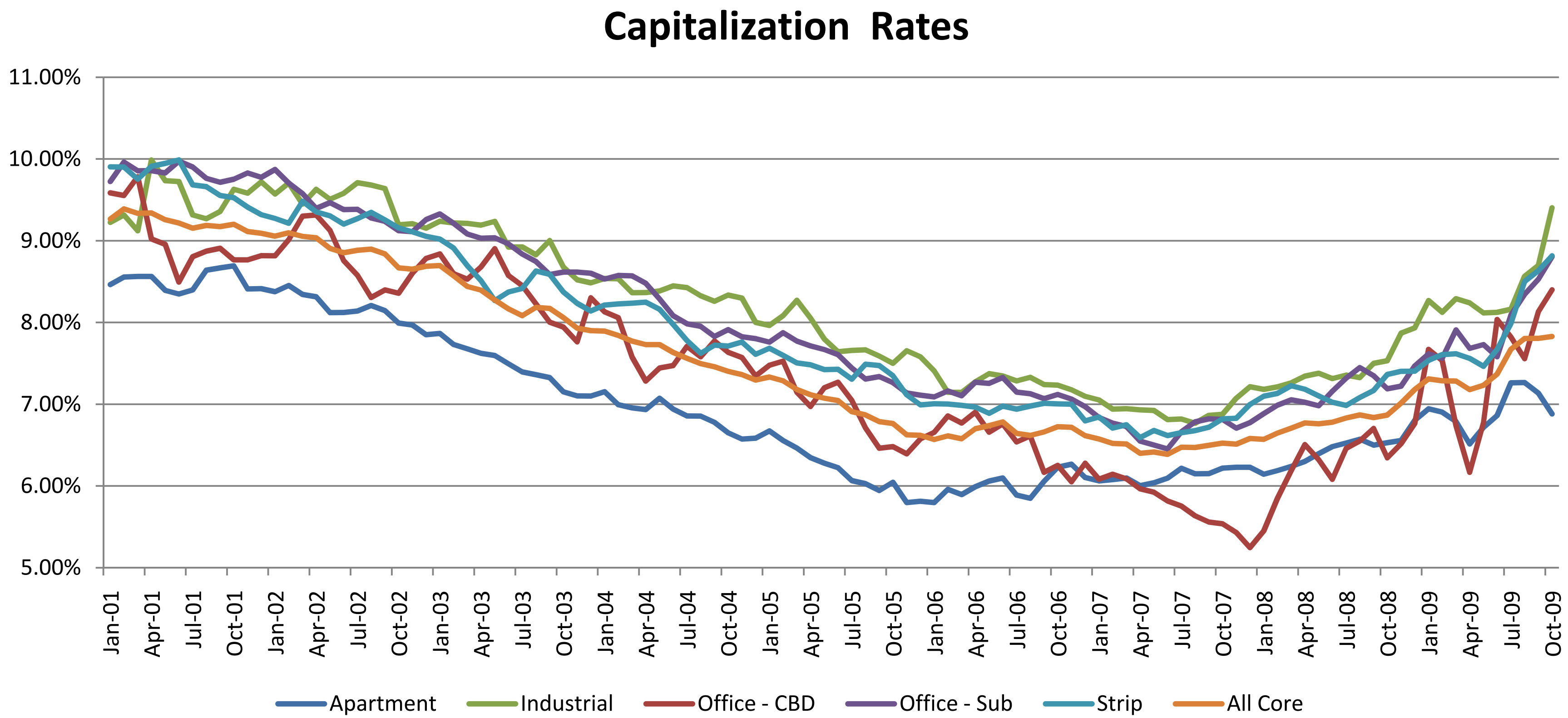
Commercial Real Estate Valuation Analysis

Commercial Real Estate Values Have Dropped 43% Since the Peak



Source: Moodys/REAL Commercial Property Index, Real Capital Analytics.

Capitalization Rates Have Moved Significantly Higher Since the Peak



Source: Real Capital Analytics.

2009 Mall Transaction Data

2009 Regional Mall Transactions

Retail - Regional Malls | North America | Us

Type	Property Name	sq ft	Year Built	Price in $	$/sq ft
Retail	West Oaks Mall	1,083,573	1984	15,000,000	14
Retail	Lloyd Center	1,229,140	1959	171,851,210	140
Retail	Westshore Plaza	1,059,612	1967	148,148,790	140
Retail	Bridgewater Falls	650,000	2005	43,750,000	67
Retail	Chandler Fashion Center	1,325,379	2001	296,079,278	223
Retail	Freehold Raceway Mall	1,666,812	1990	372,352,733	223
Retail	New Orleans Centre Mall	668,000	1988	24,243,791	36
Retail	Cupertino Square	476,000	1975	64,000,000	134
Retail	FlatIron Crossing	722,855	2000	347,333,000	481
Retail	Queens Center	966,499	1990	306,117,000	317
Retail	Kohl's	83,281	1984	17,250,000	207
Retail	South Bay Pavilion	370,000	1973	49,751,333	134
Retail	Colonie Center Mall	633,000	1966	16,400,000	26
Retail	Westland Fair Shopping Center (portion)	387,000	1963	25,505,000	66
Retail	Cincinnati Mall	1,442,339	2004	35,450,000	25
Average					**$ 149**

Source: Real Capital Analytics.

Potential Roadblocks

- Objections to the company's plan of emergence related to assets securing $9.7 billion of loans have been filed recently by secured creditors who hold mechanics liens, tax liens, claims relating to rent claw backs, and claims securing surety bonds.
- Such creditors include:
  - Apple
  - Dillard's
  - Lewisville (TX) Independent School District
  - Pima County (AZ)
  - Travelers Casualty and Surety Company

Source: United States Bankruptcy Court for the Southern District of New York.

Disclosures

- Funds advised by Hovde Capital Advisors, LLC and one of its principals have established short positions in the common stock of General Growth Properties (OTC: GGWPQ) and in the common stock of Macerich (NYSE: MAC). One of the principals has established a short position in Saks (NYSE: SKS). Their positions in these stocks and others may change without further notice.
- Neither the funds advised by or any affiliates of Hovde Capital Advisors, LLC hold positions in any other companies mentioned in this document other than those mentioned above.

Disclosures Continued

- The opinions and views express in this document and the analysis set forth therein may change and Hovde Capital Advisors, LLC is not undertaking to update its opinions, views or analysis.
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