

APPRAISAL PANEL PROCEDURES

The following procedures shall apply with respect to the valuation process set forth in section 2.07 of that certain Contingent Stock Agreement (the “CSA”), effective as of January 1, 1996, with respect to all CSA assets listed on Schedule I hereto that were unsold as of December 31, 2009:

A. Appointment Of The Appraisal Panel

- (1) General Growth Properties, Inc. (together with its debtor affiliates, “GGP”) has selected _____ of Cushman & Wakefield, Inc. (“C&W”) to serve on the Appraisal Panel (as defined in the CSA).
- (2) The Representatives (and together with GGP, the “Parties”) have selected Lance Doré of The Doré Group (“Doré”) to serve on the Appraisal Panel.
- (3) The third appraiser to serve on the Appraisal Panel shall be _____ (the “Third Appraiser”).
- (4) The Third Appraiser shall be retained jointly by the Representatives and GGP. The scope of work to be included in the retention of the Third Appraiser is attached hereto as Schedule I. The fees and expenses of the Third Appraiser are to be paid by GGP pursuant to section 2.07(b) of the CSA, and the claim of the Hughes Heirs shall be reduced by 50% of such fees and expenses pursuant to section 2.07(d) of the CSA.

B. Information To Be Provided To The Third Appraiser

- (1) GGP shall provide the Third Appraiser with all information and documents designated by either of the Parties upon the appointment of the Third Appraiser, including without limitation the information set forth on Schedule II. GGP shall also provide C&W and Doré (each a “Party Appraiser”) with a copy of all information and documents provided by GGP to the Third Appraiser.
- (2) Each Party Appraiser shall promptly provide the Third Appraiser and the other Party Appraiser with all comparable sales information that the Party Appraiser has reviewed or relied upon.

C. Communications With The Third Appraiser

- (1) None of the Party Appraisers, Parties, or their representatives shall provide any information or documents to, or communicate with, the Third Appraiser other than as set forth in sections B, C, D, and E herein. Notwithstanding the generality of sections B, C, D, and E herein, each Party Appraiser, the Parties, other parties in interest, and their respective representatives shall keep confidential from the Third Appraiser, and the Third Appraiser shall keep confidential from the Party Appraisers, the Parties, other parties in interest, and their respective representatives, all preliminary or final appraisal conclusions

and results, all appraisal models, and all draft or final appraisal reports unless and until delivery is made of all of the final appraisal reports as provided in section E.5 below.

- (2) The Party Appraisers and the Third Appraiser may freely communicate, but all such communications must: (i) in the case of in-person communications, provide both Party Appraisers with advance notice reasonable under the circumstances to enable both Party Appraisers to attend any such meeting in person or by telephone; (ii) in the case of telephone communications, provide both Party Appraisers with advance notice reasonable under the circumstances to enable both Party Appraisers to be included in such communications; and (iii) in the case of written communications, including e-mail, be copied to both Party Appraisers. In addition to the foregoing, each Party Appraiser may provide the Third Appraiser with documents and written analyses (other than the documents identified in subsection C.1 above) and all such documents and written analyses must be simultaneously provided to the other Party Appraiser.
- (3) The appraiser retained by the Official Committee of Equity Security Holders (the “Equity Committee”) may communicate with the Third Appraiser or submit documents or written analyses to the Third Appraiser as and to the extent requested or permitted by the Third Appraiser, but all such communications shall: (i) in the case of in-person communications, provide both Party Appraisers with advance notice reasonable under the circumstances to enable both Party Appraisers to attend any such meeting in person or by telephone; (ii) in the case of telephone communications, provide both Party Appraisers with advance notice reasonable under the circumstances to enable both Party Appraisers to be included in such communications; (iii) in the case of written communications, including e-mail, be copied to both Party Appraisers; and (iv) all documents or written analyses provided by the Equity Committee’s appraiser must also be simultaneously provided to both Party Appraisers.
- (4) The Third Appraiser will have the opportunity to identify any additional information or documents that the Third Appraiser requests to properly value the property, and the Parties and/or the Party Appraisers shall promptly provide the Third Appraiser and the Party Appraisers with such information or documents to the extent such information or documents are reasonably available.

D. Property Inspection

- (1) As soon as practicable after appointment of the Third Appraiser, the Third Appraiser shall attend a guided tour of the property by John Goolsby and Kevin Orrock, each of whom may freely communicate with the Third Appraiser during said tour. In addition to the foregoing, the Third Appraiser may inspect the property subject to valuation at any time. The Third Appraiser may also have ex parte communications with each of John Goolsby or Kevin Orrock relating to Summerlin, provided that promptly after any such communication the Third

Appraiser shall notify via e-mail the Party Appraisers of the time and place of the communication, the persons present, and the matters discussed.

E. General Guidelines

- (1) In valuing the assets, the Party Appraisers and the Third Appraiser shall utilize the definition of “Fair Market Value” set forth in section 2.07(e) of the CSA and as construed by that certain Final Award and Order dated March 16, 2006, issued by the American Arbitration Association Commercial Arbitration Tribunal in arbitration proceedings between the Parties (such term so defined and construed, the “Fair Market Value”).
- (2) The applicable appraisal standards shall include the Uniform Standards of Professional Appraisal Practice (the “USPAP”), Appraisal Institute, and/or American Society of Appraiser standards, and any applicable Nevada appraiser licensing statutes. Each appraiser’s judgment and professional requirements shall govern the scope and content of his or her work.
- (3) In valuing the assets, the Party Appraisers and the Third Appraiser shall use December 31, 2009, as the valuation date, and each appraiser may utilize such valuation methodologies, and give such weight to each methodology employed, as the appraiser deems appropriate under applicable professional standards. Notwithstanding the foregoing, any appraiser using a discounted cash flow or direct capitalization method shall utilize pre-tax flows rather than after-tax flows.
- (4) Except as set forth in these procedures, the Third Appraiser is free to contact any person other than a party in interest or their representatives in any manner he or she deems appropriate in completing the appraisals.
- (5) Each Party Appraiser and the Third Appraiser shall provide their respective final appraisal reports to an escrow agent to be identified by the Parties on the day that is (i) forty-five days after the Third Appraiser is appointed, or (ii) mutually agreed upon by the Parties or otherwise ordered by the Bankruptcy Court. The escrow agent shall release the appraisal reports to the Parties upon receipt of all three appraisal reports.
- (6) Within three (3) business days after the appraisal reports are delivered pursuant to section F.5, the parties shall file a joint status report with the Bankruptcy Court on the results of the Appraisal Panel process, including the calculation of the Fair Market Value (as defined above).

SCHEDULE I

SCOPE OF WORK FOR THIRD APPRAISER

Property Appraised: Remaining assets under the CSA, consisting of the Summerlin Master-Planned Community in Las Vegas, Nevada (approximately 44,000+ lots in 8,800+ acres) and the following participation interests:

- Participation rights related to the Mira Villa Property in Summerlin North;
- Participation rights related to the following properties in Summerlin South and Summerlin West:

<u>Village</u>	<u>Parcel</u>	<u>Builder</u>	<u>Development</u>	<u>Participation %</u>
V19	B	Woodside	Allerton	38%
V18	G	Christopher	Bouder Ridge	21%
V19	C1	Christopher	C2 Lofts	30%
V19	C2	Christopher	C2 Lofts Phs 2	2%
V19	C2	Christopher	C2 Lofts Phs 3	2%
V23A	B	Westmark	Coronado	13%
V18	L	Toll	Fairway Hills	24%
V20	E, F, G	RS Dev	Kingwood	38%
V20	E, F, G	William Lyon	Kingwood	38%
V20	E, F, G	Ryland	Kingwood	38%
V16	F, G, H, I	DOA Properties VIII (formerly Engle)	Ladera	38%
V16	F, G, H, I	Rich Am	Ladera	38%
V16	F, G, H, I	KB	Ladera	38%
V16	O	Pagentry	Prada Del Sol	17.5%
V26		Pulte	Reverence	***
V19	G	Toll	Traccia	18%
V19	F, L3	Ryland	Westpark	27.2%
V19	F, L1	William Lyon	Westpark	28%
V19	F, L2	Pulte	Westpark	25%
V15A	P1	Westmark	Montechiaro	14%

***Participation % dependant upon absorption and price targets.

- Participation rights related to the Playa Vista development in West Los Angeles;
- Participation rights related to the sale of the West Bluffs property in West Los Angeles;
- Participation rights in the Management Agreements related to the Home Owners Associations for Summerlin North, Summerlin South, and Summerlin West.
- Reimbursement rights related to two Tournament Players Club golf courses, TPC Summerlin and TPC Las Vegas;

Scope of Work: Prepare an appraisal of the above-referenced assets in a self-contained report format, in accordance with the Appraisal Institute and USPAP requirements and in abidance with the definition of Fair Market Value set forth in section 2.07(b) of the CSA (Contingent Stock Agreement) and as construed by that certain Final Award and Order dated March 16, 2006, issued by the American Arbitration Association Commercial Arbitration Tribunal in arbitration proceedings between the Representatives and GGP.

Valuation: For Summerlin: The "As Is" Market Value of the Fee Simple Interest as of December 31, 2009

Premises and Rights: For all participation interests: The Market Value of the interests as of December 31, 2009

Appraised: Approaches to value shall include Sales Comparison and Developmental Model (Residual Analysis via DCF)

There shall be a complete and detailed Market and Feasibility analysis to support supply, demand, retail pricing, and absorption. Detailed analysis shall be provided to support discount rates.

Intended Use and Users: The appraisal is intended solely for the Representatives under the CSA and GGP.

Comments: Due diligence materials regarding market data and subject information shall be provided upon commencement.

SCHEDULE II

INITIAL INFORMATION TO BE PROVIDED BY GGP TO THIRD APPRAISER

REGARDING SUMMERLIN MASTER-PLANNED COMMUNITY:

1. Development Agreement with Clark County for Summerlin South, including all amendments. Development Agreement with the City of Las Vegas for Summerlin West, including all amendments.
2. Aerial photos and related exhibits of the property.
3. A listing of all preliminary title reports(s) and/or title insurance commitments for all or any portion of the subject property. The appraisers may request copies of any such documents they deem relevant.
4. Property Maps
 - a. Summerlin Development Progress Maps
 - b. Summerlin Master Plan
 - c. Final maps, grading plans, site plans for all parcels where applicable
 - d. Summerlin Public Facility Obligations
 - e. Summerlin West Commercial Land Use Plan
 - f. Summerlin South Commercial Land Use Plan
 - g. Proposed Revised Framework Plan-Summerlin Centre Master Plan
 - h. Summerlin Village 14B Parcel G/H-Engineering Criteria Plan
 - i. Summerlin Village 15A Conceptual Planning Map
 - j. Summerlin-The Mesa, Village 16, Conceptual Planning Map
 - k. Summerlin-The Ridges, Village 18, Conceptual Planning Map
 - l. Summerlin-The Paseos, Village 23 A/B, Conceptual Planning Map
 - m. Summerlin-Stonebridge-Village 24, Conceptual Planning Map
5. Summerlin business plan and model for years 2009 and 2010, including all back-up and underlying assumptions for entire valuation property, projections for future sales of inventory, land sale revenue, and free cash flow, product density schedule, details on projected costs by year, and the basis for any deviation of the projections set forth in the disclosure statement from the 2010 business plan and model.
6. Copies of all pending contracts, including contracts for all transactions in escrow.
7. Floor plans submitted by builders, including floor plans submitted for approval in connection with pending sales.
8. Development cost estimates (offsites, onsites, hard costs, fees, marketing, sales, etc.), by village for Summerlin South and Summerlin West, and all back-up for existing villages and villages under development.
9. All contracts for sales closed during the period 2006-2010.

10. Details of all sales activity for 2009-2010 for all Summerlin property that were not closed sales as of December 31, 2009, including pending sales, sales in negotiation, listings, offers, letters of intent, and related correspondence, including without limitation all such sales activity for the properties listed on the attachment to the letter of Adam Stochak to Steven Hoort dated April 12, 2010.
11. Schedule of capital expenditures for the period 2006-2009.
12. CC&Rs and Homeowners Association Budget(s).
13. Market, pricing, absorption, and other market-related studies performed by GGP or third-parties, including the Concord Group study dated January 11, 2010, referenced at page 4 of Exhibit 6 to the Debtors' proposed Disclosure Statement.
14. Itemized details of all costs incurred as of December 31, 2009 that are eligible for Special Improvement District (SID) reimbursement. Estimates of all future costs that are eligible for SID reimbursement.
15. The letter of Adam Stochak to Steven Hoort dated April 12, 2010, with all attachments, including the appraisal of Sterling Ridge, proposed sales, SID reimbursement information, and acreage and village information.

REGARDING PARTICIPATION AND REIMBURSEMENT RIGHTS IDENTIFIED ON SCHEDULE I:

1. All agreements reflecting rights in the participation interests
2. For each property subject to development participation rights:
 - a. List of participation agreements with builders as of December 31, 2009, including names of builders
 - b. Schedule of parcels remaining in builder inventory as of December 31, 2009, including number of lots, product type, and density of lots
 - c. Participation formula applicable to each parcel remaining in builder inventory as of December 31, 2009
 - d. Calculation of estimated participation income by parcel for each year after 2009
 - e. History of participation paid by year for all years since the sale of subject land to builder
3. With respect to the PGA Agreement:
 - a. The total amount owed to GGP under the reimbursement agreement as of December 21, 2009, and the estimated timing of reimbursement.
 - b. The status of PGA's exercise of its option to acquire facilities.
 - c. The amount of unrecovered costs under the agreement.
4. With respect to West Bluffs, an update on threatened litigation and the audit to the profit computations of Catellus, FOCIL, and Standard Pacific Homes, which were previously reported to the CSA Review Committee.