

Howard Hughes Corp
Form S-11
May 18, 2011

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As filed with the Securities and Exchange Commission on May 18, 2011

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM S-11
FOR REGISTRATION UNDER THE SECURITIES ACT OF 1933
OF SECURITIES OF CERTAIN REAL ESTATE COMPANIES**

The Howard Hughes Corporation

(Exact name of registrant as specified in governing instruments)

**One Galleria Tower
13355 Noel Road, Suite 950
Dallas, Texas 75240
(214) 741-7744**

(Address, including Zip Code and Telephone Number,
including Area Code, of Registrant's Principal Executive Offices)

**Grant Herlitz
President**

The Howard Hughes Corporation

**One Galleria Tower
13355 Noel Road, Suite 950
Dallas, Texas 75240
(214) 741-7744**

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to

**James E. O Bannon
Jones Day**

**2727 North Harwood Street
Dallas, Texas 75201-1515
Telephone: (214) 220-3939
Facsimile: (214) 969-5100**

Approximate date of commencement of proposed sale to the public:

As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement

for the same offering. o

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 Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be Registered(1)	Proposed maximum offering price per unit	Proposed maximum aggregate offering price(2)	Amount of registration fee
Common stock issuable upon the exercise of common stock warrants(3)	2,862,687		\$123,051,452	\$14,287
Total				\$14,287

- (1) Pursuant to Rule 416, the securities being registered hereunder include such indeterminate number of additional shares of common stock as may be issuable as a result of stock splits, stock dividends, recapitalizations, anti-dilution adjustments or similar transactions.
- (2) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(o) promulgated under the Securities Act of 1933, as amended (the Securities Act).
- (3) Represents 2,683,716 shares of our common stock issuable upon the exercise of warrants held by David R. Weinreb and Grant Herlitz at an exercise price of \$42.23. Also represents 178,971 shares of our common stock issuable upon the exercise of warrants held by Andrew C. Richardson at an exercise price of \$54.50. Pursuant to Rule 457(g) promulgated under the Securities Act, the maximum aggregate offering price is based on the exercise prices of the warrants.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. The selling stockholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission relating to these securities is effective. This prospectus is not an offer to sell these securities and it is not a solicitation of an offer to buy these securities in any jurisdiction where such offer, solicitation or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 18, 2011

Preliminary Prospectus

**THE HOWARD HUGHES CORPORATION
2,862,687 shares of Common Stock**

This prospectus relates solely to the resale of up to 2,862,687 shares of common stock of The Howard Hughes Corporation, or HHC, issuable upon exercise of the warrants described herein by the selling stockholders identified in this prospectus.

The selling stockholders (which term as used herein includes their pledgees, donees, transferees or other successors-in-interest) may offer the shares from time to time as they may determine through public transactions or through other means and at varying prices as determined by the prevailing market price for shares or in negotiated transactions as described in the section entitled "Plan of Distribution" beginning on page 13.

We do not know when or in what amount the selling stockholders may offer the shares for sale. We expect that the offering price for our common stock will be based on the prevailing market price of our common stock at the time of sale. Our common stock trades on the New York Stock Exchange, or the NYSE, under the symbol "HHC". The last reported sales price on May 17, 2011 was \$66.78.

We will not receive any of the proceeds from the sale of these shares of our common stock by the selling stockholders.

Investing in shares of our common stock involves risks. See "Risk Factors" beginning on page 14 of our Annual Report on Form 10-K incorporated by reference herein to read about factors you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This prospectus is dated _____, 2011.

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This prospectus is part of a registration statement on Form S-11 that we filed with the Securities and Exchange Commission (the "SEC"). You should rely only on the information contained in this prospectus (as supplemented and amended) and the documents incorporated by reference herein or therein. We have not authorized anyone to provide you with different information. This document may only be used where it is legal to sell these securities. You should not assume that the information contained in this prospectus and the documents incorporated by reference herein or therein are accurate as of any date other than their respective dates regardless of the time of delivery of the prospectus or any sale of our common stock. You should also read this prospectus together with the additional information described under the headings "Where You Can Find More Information" and "Incorporation of Certain Information by Reference."

This prospectus may be supplemented from time to time to add, update or change information in this prospectus. Any statement contained in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in such prospectus supplement modifies or supersedes such statement. Any statement so modified will be deemed to constitute a part of this prospectus only as so modified, and any statement so superseded will be deemed not to constitute a part of this prospectus.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical fact included in this prospectus 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 not to rely on these forward-looking statements.

In this prospectus and the documents incorporated by reference, for example, we make forward-looking statements discussing our expectations about:

- capital required for our operations and development opportunities for the properties in our Operating Assets and Strategic Developments segments following the spin-off;

- expected performance of our Master Planned Communities segment and other current income producing properties;

- future liquidity;

- future development opportunities; and

- future development spending.

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 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;

- our new directors and officers may change our long-range plans;

- our new directors may be involved or have interests in other businesses, including, without limitation, real estate activities and investments;

- a prolonged recession in the national economy and adverse economic conditions in the retail sector;

- our inability to compete effectively;

- potential conflicts with GGP (as defined below) 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 our spin-off from GGP not qualifying as a tax-free distribution for U.S. federal income tax purposes;

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substantial stockholders having influence over us, whose interests may be adverse to ours or yours; and

the other risks described in our Annual Report on Form 10-K incorporated by reference therein.

These forward-looking statements present our estimates and assumptions only as of the date of this prospectus. 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 prospectus.

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PROSPECTUS SUMMARY

This summary contains basic information about us and the resale of securities being offered by the selling security holders. It does not contain all of the information you should consider before investing. You should read this entire prospectus carefully, including the section entitled Risk Factors and our consolidated and combined financial statements and the notes thereto incorporated by reference in this prospectus, before making an investment decision. Unless the context otherwise requires, references to the Company, HHC, we, us and our refer to The Howard Hughes Corporation and its subsidiaries and joint venture interests after giving effect to the spin-off.

Overview

We are a real estate company created to specialize in the development of master planned communities, the redevelopment or repositioning of real estate assets currently generating revenues, also called operating assets, and other strategic real estate opportunities in the form of entitled and unentitled land and other development rights, also called strategic developments. Our assets are located across the United States, and our goal is to create sustainable, long-term growth and value for our stockholders. As of March 31, 2011, our debt equaled approximately 10.5% of our total assets, which excludes our \$141.0 million proportionate share of the \$331.6 million of debt of our non-consolidated, non-controlling interests.

We currently operate our business in three segments: Master Planned Communities, Operating Assets and Strategic Developments. Unlike most real estate companies which are limited in their activities because they have elected to be taxed as a real estate investment trust, we have no such restrictions on our operating activities or types of services that we can offer.

We completed our spin-off from GGP, Inc., formerly known as General Growth Properties, Inc. (GGP), on November 9, 2010 in connection with GGP's emergence from bankruptcy. The Howard Hughes Corporation was incorporated in Delaware in 2010 to receive certain assets and liabilities of GGP and its subsidiaries (collectively, our predecessors). In connection with the spin-off, we issued 32.5 million shares of our common stock. In addition, we issued 5.25 million shares of our common stock and warrants to purchase an additional 8.0 million shares of our common stock for an aggregate price of \$250 million. GGP no longer holds any interest in our company.

We believe that our company name, which is identified with quality, excellence and success, can be more broadly utilized to increase value.

We were incorporated in Delaware on July 1, 2010. Our principal executive offices are located at One Galleria Tower, 13355 Noel Road, Suite 950, Dallas, Texas 75240. Our main telephone number is (214) 741-7744. Our website is <http://www.howardhughes.com/>. The contents of our website are not a part of this prospectus.

Warrant Agreements

On November 22, 2010, we entered into warrant agreements with David R. Weinreb, our Chief Executive Officer, and Grant Herlitz, our President, pursuant to which: (a) Mr. Weinreb purchased a warrant to acquire 2,367,985 shares of Company common stock for a purchase price of \$15.0 million in cash; and (b) Mr. Herlitz purchased a warrant to acquire 315,731 shares of Company common stock for a purchase price of \$2.0 million in cash, both of which purchase prices were determined to be at the warrants then current fair value. The warrants have an exercise price of \$42.23 per share and will generally become exercisable in November 2016, except in the event of a change in control, termination of the executive without cause, or the separation of the executive from us for good reason, and will expire in November 2017. The shares underlying these warrants are being registered on the registration statement of which this prospectus is a part.

On February 25, 2011, the Company entered into a warrant agreement with Andrew C. Richardson, our Chief Financial Officer, pursuant to which Mr. Richardson purchased a warrant to acquire 178,971 shares of company common stock for a purchase price of \$2.0 million in cash, which purchase price was determined to be at current fair value. The warrant has an exercise price of \$54.40 per share and will generally become exercisable in February 2017, except in the event of a change in control, termination of Mr. Richardson's employment with us without cause, or the separation of Mr. Richardson from us for good reason. Mr. Richardson's warrant will expire in February 2018. The shares underlying these warrants are being registered on the registration statement of which this prospectus is a part.

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THE OFFERING

Issuer	The Howard Hughes Corporation
Securities offered by the selling stockholders	2,862,687 shares of our common stock.
Securities outstanding after this offering	40,795,841 shares of our common stock (assuming full exercise of the shares underlying the warrants listed in this offering).
Use of proceeds	We will not receive any proceeds from the resale of our common stock by the selling stockholders pursuant to this offering.
Listing	Our common stock trades on the NYSE under the symbol HHC.
Risk factors	Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page 14 of our Annual Report on Form 10-K incorporated by reference herein for a discussion of factors you should carefully consider before investing in our common stock.

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USE OF PROCEEDS

We are registering these shares of our common stock for the benefit of the selling stockholders. We will not receive any proceeds from the resale of our common stock under this offering.

BUSINESS

We are a real estate company created to specialize in the development of master planned communities, the redevelopment or repositioning of real estate assets currently generating revenues, also called operating assets, and other strategic real estate opportunities in the form of entitled and unentitled land and other development rights, also called strategic developments. Our assets are located across the United States, and our goal is to create sustainable, long-term growth and value for our stockholders. As of March 31, 2011, our debt equaled approximately 10.5% of our total assets, which excludes our \$141.0 million proportionate share of the \$331.6 million of debt of our non-consolidated, non-controlling interests.

We currently operate our business in three segments: Master Planned Communities, Operating Assets and Strategic Developments. Unlike most real estate companies which are limited in their activities because they have elected to be taxed as a real estate investment trust, we have no restrictions on our operating activities or types of services that we can offer.

We completed our spin-off from GGP, Inc., formerly known as GGP, on November 9, 2010 in connection with GGP's emergence from bankruptcy. The Howard Hughes Corporation was incorporated in Delaware in 2010 to receive certain assets and liabilities of our predecessors. In connection with the spin-off, we issued 32.5 million shares of our common stock. In addition, we issued 5.25 million shares of our common stock and warrants to purchase an additional 8.0 million shares of our common stock for an aggregate price of \$250 million. GGP no longer holds any interest in our Company.

For more information on our business see **Business** in our Annual Report on Form 10-K and Quarterly Report on Form 10-Q incorporated herein by reference.

Shareholders Agreements

In order to fund a portion of our spin-off, GGP entered into investment agreements with the Plan Sponsors (as defined below). Pursuant to the terms of those agreements, the Company entered into agreements (the **Shareholders Agreements**) with each of: (i) Brookfield Retail Holdings LLC, an affiliate of Brookfield Asset Management, Inc. (and its designees, as applicable, the **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, together with their permitted assigns, including PSRH, Inc., **Pershing Square** and, together with Brookfield Investor and Fairholme, the **Plan Sponsors**). The Plan Sponsors entered into agreements with Blackstone Real Estate Partners VI, L.P. (**Blackstone** and together with its permitted assigns, the **Blackstone Investors**) whereby Blackstone subscribed for approximately 7.6% of the shares of reorganized GGP and our common stock issued to each of the Plan Sponsors under the Shareholders Agreements on November 9, 2010 and, in connection therewith, received an allocation of each of the Plan Sponsor's warrants described below to acquire our common stock (collectively, the **Blackstone Designation**). On November 9, 2010, the Plan Sponsors and the Blackstone Investors purchased \$6.3 billion of common stock of reorganized GGP and \$250 million of our common stock at \$47.619048 per share.

Upon consummation of the spin-off and after giving effect to the Blackstone Designation, we issued to Brookfield Investor, Pershing Square, Fairholme and the Blackstone Investors 2,424,618, 1,212,309, 1,212,309 and 400,764 shares of our common stock, respectively, pursuant to the Shareholders Agreements and the Blackstone Designation. Of the Plan Sponsors and the Blackstone Investors, only Pershing Square received shares of our common stock pursuant to the spin-off in the amount of 2,355,708 shares, as a result of its ownership of shares of common stock of GGP prior to November 9, 2010.

Upon consummation of our predecessors' plan of reorganization, we issued 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 the Blackstone Investors 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 shares that will be issued for the

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same aggregate consideration upon exercise of the warrants. See Related Party Transactions and Certain Relationships Transactions Prior to the Spin-Off contained in our 2011 Definitive Proxy Statement on Schedule 14A and incorporated by reference herein.

As of May 17, 2011, Brookfield Investor, Fairholme, Pershing Square and the Blackstone Investors beneficially owned 6.4%, 3.2%, 9.4%, and 1.1%, respectively, of our common stock (excluding shares issuable upon exercise of the warrants) or 12.8%, 6.4%, 11.2% and 1.5%, respectively, of our common stock (assuming exercise of all outstanding warrants, including shares issuable upon the exercise of warrants held by Fairholme, which are only exercisable upon 90 days notice).

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.

The following disclosure provides information required by SEC rules to be included in this prospectus but not required to be included in our Annual Report on Form 10-K.

Average Effective Annual Rental Rate per Square Foot

The following table sets forth the Average Effective Annual Rental Rate per square foot for Ward Centers and all other Operating Assets properties with retail operations in the aggregate. Average Effective Annual Rental Rate represents the sum of minimum rent and recoverable common area costs (excluding taxes) for all tenant occupied space divided by total tenant occupied square feet, for tenants occupancy spaces less than 30,000 square feet. The calculation includes the terms of each lease in effect at the time of the calculation, including any tenant concessions such as rent abatements, allowances or other concessions, that may have been granted. Calculations exclude rent, charges and square footage for temporary tenants (leases less than one year) and exclude anchor stores.

Year	Ward	All Other Operating Assets	
		Retail Properties	Total
2006	\$29.98	\$ 27.49	\$28.24
2007	44.87	30.50	34.93
2008	45.18	31.85	35.81
2009	43.85	31.39	34.94
2010	41.86	33.23	36.16

Lease Expirations

The following tables set forth the lease expiration data for all of our consolidated entries.

Year	Total Minimum Rent (In Thousands)	Total Minimum Rent Expiring (In Thousands)	% of Total Minimum Rent Expiring	Number of Leases Expiring	Total Square Feet Expiring (In Thousands)
2011	49,630	4,581	9.2%	372	767
2012	44,900	2,896	6.5%	218	1,326
2013	38,987	5,042	12.9%	125	455
2014	31,598	2,594	8.2%	69	324
2015	27,731	3,177	11.5%	65	280
2016	19,543	3,511	18.0%	25	199
2017	15,671	1,736	11.1%	19	61
2018	12,793	1,309	10.2%	26	57
2019	10,826	419	3.9%	11	34
2020	7,122	1,294	18.2%	14	107

GGP represents 100% of gross leaseable area at 110 N. Wacker and Enterprise Community Investment represents 46.7% of gross leaseable area at Columbia Office Properties.

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Company Policies

The following is a discussion of our investment policies, financing policies, conflict of interest policies and policies with respect to certain other activities. One or more of these policies may be amended or rescinded from time to time without a stockholder vote.

Investment Policies

We are a real estate company created to specialize in the development of master planned communities, the redevelopment or repositioning of operating assets and other strategic real estate development opportunities. Our assets are located across the United States and our goal is to create sustainable, long-term growth and value for our stockholders. We do not currently have an investment policy, however, our board of directors may adopt one in the future. We may invest in other real estate, real estate mortgages and the securities of persons primarily engaged in real estate activities, but do not currently, nor do we currently intend to, engage in these activities and we do not have a policy as to these investments, except insofar as that 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 have elected not to be treated as a REIT for U.S. federal income tax purposes; however, one of our subsidiaries, Victoria Ward, Limited, is and will continue to elect to be treated as a REIT. We are not subject to REIT limitations. Given the capital and operational differences between our three business segments, we intend to follow specific strategies in each business segment to maximize the value of our assets.

Financing Policies

We do not have a formal financing policy; however, in order to pursue development and redevelopment opportunities in our Operating Assets segment and our Strategic Developments segment, we will require significant 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 cannot assure you that any financings or joint venture arrangements 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 and 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, in our Annual Report on Form 10-K incorporated herein by reference.

If our board of directors determines to raise additional equity capital, it may, without stockholder approval, issue additional shares of common stock or other capital stock. Our board of directors may issue a number of shares up to the amount of our authorized capital in any manner and on such terms and for such consideration as it deems appropriate. Such securities may be senior to the outstanding classes of common stock. Such securities also may include classes of preferred stock, which may be convertible into common stock. Existing stockholders have no preemptive right to purchase shares in any subsequent offering of our securities. Under the Shareholders Agreements, the Plan Sponsors have participation rights to purchase HHC common stock as necessary to allow them to maintain its proportional ownership interest in HHC on a fully diluted basis. Any such offering could dilute a stockholder's investment in us and may make it more difficult to raise equity capital.

We do not currently have a policy limiting the number or amount of mortgages that may be placed on any particular property. Mortgage financing instruments, however, usually limit additional indebtedness on such properties.

Conflict of Interest Policies

We have Codes of Business Conduct and Ethics which apply to all of our employees, officers and directors, including our Chief Executive Officer. Our Codes of Business Conduct and Ethics require disclosure of, and in certain circumstances prohibit, conflicts of interest, which are broadly defined to include situations where a person's private interest interferes with the interests of the Company. In addition, the codes prohibit direct or indirect personal loans to executive officers and directors to the extent required by law and stock exchange regulation. The codes do not attempt to cover every issue that may arise, but instead set out basic principles to guide all of our employees, officers and directors.

The Code of Business Conduct and Ethics applicable to our directors recognizes that our directors have and may in the future have interests in other real estate business activities, including with reorganized GGP, and may have control or influence over these activities and may serve as investment advisors, directors or officers in such businesses. These interests and activities, and any duties to third parties arising from such interests and activities, could divert the attention of such directors from our operations. Additionally,

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the code recognizes that certain of our directors are engaged in investment and other activities in which they may learn of real estate and other related opportunities in their non-director capacities. The Code of Business Conduct and Ethics applicable to our directors expressly provides, as permitted by Section 122(17) of the DGCL, that our non-employee directors will not be obligated to limit their interests or activities in their non-director capacities or to notify us of any opportunities that may arise in connection therewith, even if the opportunities are complementary to or in competition with our businesses. Accordingly, we have, and investors in our common stock should have, no expectation that we will be able to learn of or participate in such opportunities. However, the code provides that if any potential business opportunity is expressly presented to a director exclusively in his or her director capacity, the director is not permitted to pursue the opportunity, directly or indirectly through a controlled affiliate in which the director has an ownership interest, without the approval of the independent members of our board of directors. See Risk Factors Some of our directors are involved in other businesses including real estate activities and public and/or private investments and, therefore, may have competing or conflicting interests with us in our Annual Report on Form 10-K incorporated herein by reference.

Policies With Respect To Certain Other Activities

We have authority to offer shares of our capital stock or other securities in exchange for property. We also have authority to repurchase or otherwise reacquire our shares or any other securities.

We intend to borrow money as part of our business, and we also may issue senior securities, purchase and sell investments, offer securities in exchange for property and repurchase or reacquire shares or other securities in the future. To the extent we engage in these activities, we will comply with applicable law.

We will make reports to our security holders in accordance with the NYSE rules and containing such information, including financial statements certified by our independent registered accounting firm, as required by the NYSE.

We do not have policies in place with respect to making loans to other persons (other than our conflict of interest policies described above), investing in the securities of other issuers for the purpose of exercising control and underwriting the securities of other issuers, and we do not currently, and do not intend to, engage in these activities.

Insurance

We have comprehensive liability, fire, flood, extended coverage and rental loss insurance with respect to our portfolio of retail properties. Our management believes that such insurance provides adequate coverage.

Name of Beneficial Owner(1)	Percentage of		Shares	Number of	Percentage of	Being Offered	Number of	
	Number of Shares	Number of Shares	Upon Exercise of				Shares	Shares
David R. Weinreb		2,367,985(3)	5.9%			2,367,985(3)		
Grant Herlitz		315,731(4)				315,731(4)		
Andrew C. Richardson	20,000(2)	178,971(5)				178,971(5)	20,000(2)	

- (1) 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 The Howard Hughes Corporation, One Galleria Tower, 13355 Noel Road, Suite 950, Dallas, Texas 75240.
- (2) These shares represent restricted shares of our common stock issued to Mr. Richardson pursuant to Mr. Richardson's employment agreement.
- (3) These shares represent shares of our common stock underlying HHC warrants received pursuant to Mr. Weinreb's warrant agreement.
- (4) These shares represent shares of our common stock underlying HHC warrants received pursuant to Mr. Herlitz's warrant agreement.
- (5) These shares represent shares of our common stock underlying HHC warrants received pursuant to Mr. Richardson's warrant agreement.

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DESCRIPTION OF CAPITAL STOCK

The following is a summary of the material terms of our capital stock that are 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 prospectus is a part, along with the applicable provisions of Delaware law.

General

We were incorporated as a Delaware corporation on July 1, 2010. Our authorized capital stock consists 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. As of May 17, 2011, 37,933,154 shares of our common stock were issued and outstanding and no shares of preferred stock were 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 Shareholders 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 have a dilutive effect on the holders of outstanding shares of our common stock. 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. All outstanding shares of our common stock are 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 provides 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;

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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 Shareholders Agreements and the Blackstone Designation on November 9, 2010, we issued: 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 the Blackstone Investors warrants to purchase up to 0.33 million shares of our common stock with an initial exercise price of \$50.00 per share.

The initial exercise price was determined through negotiations between GGP and the Plan Sponsors. The warrants issued to each of Brookfield Investor, Pershing Square and the Blackstone Investors are immediately exercisable; the warrants issued to Fairholme are exercisable upon 90 days prior notice for the first 6.5 years after issuance and exercisable without notice any time thereafter. Each warrant has a term of seven years from the closing date of the investments. The Pershing Square and Fairholme Warrants are net share settled, meaning that the exercise price for the warrants will not be paid in cash and will instead be netted against the shares received upon exercise of the warrants, resulting in fewer shares being issued. We will not issue any fractional shares of common stock and warrant holders do not have any voting or other rights as a stockholder of our company.

If we (i) pay a dividend in cash or other property or make a distribution on our common stock in shares of common stock, (ii) subdivide our outstanding shares of common stock into a greater number of shares or (iii) combine or reverse-split our outstanding shares of common stock into a smaller number of shares, then the per share warrant price and the number of warrant shares will be proportionately decreased and increased, respectively, in the case of a subdivision, distribution or stock dividend, or proportionately increased and decreased, respectively, in the case of a combination or reverse stock split. The warrants are also subject to adjustment upon certain rights offerings, certain tender and exchange offerings, and certain recapitalizations, reorganizations, reclassifications, mergers and sales of all or substantially all of our assets. The aggregate warrant price payable for the then total number of warrant shares available for exercise under the warrant will remain the same. In certain circumstances, upon the occurrence of a change of control, other than a public stock merger or mixed consideration merger, each as defined in the warrant agreement, holders of the warrants will have the right to require us to redeem the warrants at the fair value of such warrants in cash as of the date of the change of control event as determined by an independent financial expert employing a valuation methodology provided for in the terms of the warrants. Upon the occurrence of a public stock merger or a mixed consideration merger, we may elect to redeem the warrants at fair value or, to the extent of stock consideration, have the warrants continue as warrants on the stock of the acquiring parent company as provided in the warrant agreement.

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On November 22, 2010, we entered into warrant agreements with David R. Weinreb, our Chief Executive Officer, and Grant Herlitz, our President, pursuant to which: (a) Mr. Weinreb purchased a warrant to acquire 2,367,985 shares of Company common stock for a purchase price of \$15.0 million in cash; and (b) Mr. Herlitz purchased a warrant to acquire 315,731 shares of Company common stock for a purchase price of \$2.0 million in cash, both of which purchase prices were determined to be at the warrants then

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current fair value. The warrants have an exercise price of \$42.23 per share and will, excluding certain specific circumstances, become exercisable in November 2016, except in the event of a change in control, termination of the executive without cause, or the separation of the executive from us for good reason, and will expire in November 2017.

On February 25, 2011, the Company also entered into a warrant agreement with Andrew C. Richardson, our Chief Financial Officer, pursuant to which Mr. Richardson purchased a warrant to acquire 178,971 shares of company common stock for a purchase price of \$2.0 million in cash, which purchase price was determined to be at current fair value. The warrant has an exercise price of \$54.40 per share and will generally become exercisable in February 2017, except in the event of a change in control, termination of Mr. Richardson's employment with us without cause, or the separation of Mr. Richardson from us for good reason. Mr. Richardson's warrant will expire in February 2018.

No market exists for the warrants. On May 17, 2011, warrants to purchase 10,862,687 shares of our common stock were outstanding.

Section 382 Restrictions

Our certificate of incorporation imposes 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 November 9, 2010 (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 November 9, 2010, 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) HHC common stock, 4.99% of the number of outstanding shares of HHC common stock and (ii) any other class of equity of HHC, 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 outstanding 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

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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.

Prohibition of Stockholder Action by Written Consent. Our amended and restated certificate of incorporation and bylaws expressly prohibits our stockholders from acting by 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 does not provide for cumulative voting.

Indemnification of Officers and Directors

Our amended and restated certificate of incorporation includes 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 the Company, 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 provides 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 entered 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 being sought.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Act and is therefore unenforceable.

Authorized but Unissued Shares.

Our authorized but unissued shares of common stock and preferred stock is 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.

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Transfer Agent and Registrar

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

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PLAN OF DISTRIBUTION

We are registering shares of HHC common stock issuable to the selling stockholders to permit the resale of these shares of HHC common stock by the holders thereof from time to time after the date of this prospectus. We are registering shares of our common stock issuable upon exercise of the warrants issuable to Mr. Weinreb and Mr. Herlitz pursuant to their respective warrant agreements dated November 22, 2010 and to Mr. Richardson pursu