

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549
FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2001

SIMON PROPERTY GROUP, L.P.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

333-11491
(Commission file number)

34-1755769
(I.R.S. Employer Identification No.)

115 West Washington Street
Indianapolis, Indiana 46204
(Address of principal executive offices)

(317) 636-1600
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **YES** **NO**

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. **N/A**

Documents Incorporated By Reference

Portions of Simon Property Group, Inc.'s Proxy Statement in connection with its 2002 Annual Meeting of Shareholders are incorporated by reference in Part III.

SIMON PROPERTY GROUP, L.P.
Annual Report on Form 10-K
December 31, 2001

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Part IV

Part I

Item 1. Business

Background and Description of the Business

Who we are - Simon Property Group, L.P. (the "SPG Operating Partnership"), a Delaware limited partnership, is a majority owned subsidiary of Simon Property Group, Inc. ("SPG"), a Delaware corporation. SPG is a self-administered and self-managed real estate investment trust ("REIT"). Each share of common stock of SPG is paired ("Paired Shares") with 1/100th of a share of common stock of SPG Realty Consultants, Inc. ("SRC" and together with SPG, the "Companies"). Units of partnership interests ("Units") in the SPG Operating Partnership are paired ("Paired Units") with Units in SPG Realty Consultants, L.P. (the "SRC Operating Partnership" and together with the SPG Operating Partnership, the "Operating Partnerships"). The SRC Operating Partnership is the primary subsidiary of SRC. In this report, the terms "we", "us" and "our" refer to the SPG Operating Partnership and its subsidiaries.

As of December 31, 2001, we owned or held an interest in 251 income-producing properties in the United States, which consisted of 165 regional malls, 72 community shopping centers, five specialty retail centers, four office and mixed-use properties and five value-oriented super-regional malls in 36 states (the "Properties"). We also own 11 parcels of land held for future development (together with the Properties, the "Portfolio" or the "Portfolio Properties"). In addition, we have ownership interests in seven additional retail real estate properties operating in Europe and Canada.

Mergers and Acquisitions

Mergers and acquisitions have been a significant component of the growth and development of our business. Beginning with the merger with DeBartolo Realty Corporation in August of 1996 for approximately \$3.0 billion, we have completed five major mergers and/or acquisitions that have helped shape the current organization. These acquisitions included the merger with Corporate Property Investors, Inc. in 1998 for approximately \$5.9 billion. Information regarding the mergers and acquisitions required by this item are included in the Notes to Financial Statements of the attached audited financial statements, Notes 3 and 4 (acquisitions portion only), included in Item 8 of this Form 10-K.

Subsequent to December 31, 2001, we signed a definitive agreement to purchase, jointly with Westfield America Trust and The Rouse Company, the assets of Rodamco North America N.V. for \$5.3 billion. Our portion of the acquisition includes the purchase of the remaining ownership interests in four of our existing joint venture assets and new ownership interests in nine additional properties. Our share of the purchase price is \$1.55 billion including \$570.0 million in debt and perpetual preferred stock assumed.

General

During 2001, regional malls (including specialty retail centers and retail space in the mixed-use Properties), community centers and the remaining Portfolio comprised 92.2%, 4.9%, and 2.9%, respectively, of consolidated rent revenues and tenant reimbursements. The Properties contain an aggregate of approximately 186.5 million square feet of gross leasable area ("GLA"), of which we own 110.9 million square feet ("Owned GLA"). More than 3,970 different retailers occupy more than 19,950 stores in the Properties. Total estimated retail sales at the Properties in 2001 were approximately \$39 billion.

Operating Strategies

Our primary business objectives are to increase cash generated from operations per Paired Unit and to increase the value of the Portfolio Properties. We plan to achieve these objectives through a variety of methods discussed below, although we cannot assure you that that we will achieve such objectives.

Leasing. We pursue an active leasing strategy that includes:

- aggressively marketing available space
- renewing existing leases at higher base rents per square foot, and
- originating leases that provide for percentage or overage rents and/or regular or periodic fixed contractual increases in base rents.

Management. We draw upon our expertise gained through management of a geographically diverse Portfolio nationally recognized as high quality retail and mixed-use Properties. In doing so, we seek to maximize cash flow through a combination of:

- an active merchandising program to maintain our shopping centers as inviting shopping destinations
- efforts to minimize overhead and operating costs
- coordinated marketing and promotional activities that establish and maintain customer loyalty, and
- systematic planning and monitoring of results.

Acquisitions. As noted above, we expect to acquire certain assets from Rodamco North America, N.V. in 2002. We may selectively acquire other individual properties and portfolios of properties that meet our investment criteria as opportunities arise. We continue to review and evaluate a limited number of acquisition opportunities and will continue our focus on acquiring highly productive, market dominant malls. We believe that acquisition activity is a component of our growth strategy

Development in the United States. Our strategy is to selectively develop new properties in major metropolitan areas that exhibit strong population and economic growth. We opened one regional mall during 2001. This addition added approximately 0.6 million square feet of GLA to the Portfolio at a cost of approximately \$68.8 million. Currently, there are no new developments under construction. We believe given the current economic environment there are no new developments that meet our risk-reward criteria in order to commence development in the near term, especially in a weakening leasing economic environment.

We also have direct or indirect interests in eleven parcels of land being held for future development in eight states totaling approximately 772 acres. We believe that we are well positioned to pursue future development opportunities as conditions warrant.

Strategic Expansions and Renovations. One of our key objectives is to increase the profitability and market share of the Properties through strategic renovations and expansions. We invested approximately \$118.2 million on redevelopment projects during 2001. We also have a number of renovation and/or expansion projects currently either under construction or in preconstruction development. However, for the same reasons we are limiting development activities, we have reduced our renovation and expansion plans for the near term.

International Expansion. We believe the expertise we have gained through the development and management of our domestic Properties can be utilized in retail properties throughout the world. We intend to continue pursuing international opportunities on a selected basis to enhance Unitholder value. There are risks inherent in international business that may be

beyond our control. These risks include the following risks that may have a negative impact on our results of operations:

- changes in foreign currency exchange rates
- declines in economic conditions abroad
- changes in foreign political environments, and
- changes in foreign laws.

Other Revenues. We also generate revenues due to our size and tenant relationships from:

- mall marketing initiatives
- consumer focused strategic corporate alliances, and
- delivering competitively priced property operating services to our tenants.

Competition

We believe that we have a competitive advantage in the retail real estate business as a result of:

- the size, quality and diversity of our Properties
- our management and operational expertise
- our use of innovative retailing concepts
- our extensive experience and relationships with retailers and lenders
- our mall marketing initiatives and consumer focused strategic corporate alliances, and
- our ability to use our size to deliver competitively priced property operating services to our tenants.

We believe that the Portfolio is the largest, as measured by GLA, of any publicly traded REIT. In addition, we own more regional malls than any other publicly traded REIT. For these reasons, we believe that we are the leader in our industry.

All of the Portfolio Properties are located in developed areas. Certain of our Properties are of the same type and are within the same market area as other competitive properties. The existence of competitive properties could have a material adverse effect on our ability to lease space and on the level of rents we can obtain.

There are numerous other commercial developers, real estate companies and other owners of real estate that compete with us in our trade areas. This results in competition for both acquisition of prime sites (including land for development and operating properties) and for tenants to occupy the space that we and our competitors develop and manage.

Environmental Matters

General Compliance. We believe that the Portfolio Properties are in compliance, in all material respects, with all Federal, state and local environmental laws, ordinances and regulations regarding hazardous or toxic substances. Nearly all of the Portfolio Properties have been subjected to Phase I or similar environmental audits (which generally involve only a review of records and visual inspection of the property without soil sampling or ground water analysis) by independent environmental consultants. Phase I environmental audits are intended to discover information regarding, and to evaluate the environmental condition of, the surveyed properties and surrounding properties. These environmental audits have not revealed, nor are we aware of, any environmental liability that we believe will have a material adverse effect on our results of operations. We cannot assure you that:

- existing environmental studies with respect to the Portfolio Properties reveal all potential environmental liabilities
- any previous owner, occupant or tenant of a Portfolio Property created any material environmental condition not known to us

- the current environmental condition of the Portfolio Properties will not be affected by tenants and occupants, by the condition of nearby properties, or by unrelated third parties, or
- future uses or condition (including, without limitation, changes in applicable environmental laws and regulations or the interpretation thereof) will not result in environmental liabilities.

Asbestos-Containing Materials. Asbestos-containing materials are present in most of the Properties, primarily in the form of vinyl asbestos tile, mastics and roofing materials, which we believe are generally in good condition. Fireproofing and insulation containing asbestos is also present in certain Properties in limited concentrations or in limited areas. The presence of such asbestos-containing materials does not violate currently applicable laws. Generally, we remove asbestos-containing materials as required in the ordinary course of any renovation, reconstruction and expansion, and in connection with the retensing of space.

Underground Storage Tanks. Several of the Portfolio Properties contain, or at one time contained, underground storage tanks used to store waste oils or other petroleum products primarily related to auto services center establishments or emergency electrical generation equipment. We believe that regulated tanks have been removed, upgraded or abandoned in place in accordance with applicable environmental laws. Site assessments have revealed certain soil and groundwater contamination associated with such tanks at some of these Properties. Subsurface investigations (Phase II assessments) and remediation activities are either completed, ongoing, or scheduled to be conducted at such Properties. The cost of remediation with respect to such matters has not been material and we do not expect these costs will have a material adverse effect on our results of operations.

Properties to be Developed or Acquired. Land held for shopping mall development or that may be acquired for development may contain residues or debris associated with the use of the land by prior owners or third parties. In certain instances, such residues or debris could be or contain hazardous wastes or hazardous substances. Prior to exercising any option to acquire any of the optioned properties, we will conduct environmental due diligence consistent with acceptable industry standards.

Employees

At February 28, 2002 we and our affiliates employed approximately 4,160 persons at various centers and offices throughout the United States, of which approximately 1,580 were part-time. Approximately 940 of these employees were located at our headquarters.

Insurance

We have comprehensive liability, fire, flood, extended coverage and rental loss insurance with respect to our Properties. The impact of the events of September 11, 2001 has affected our insurance programs. Our insurance programs are discussed in detail in Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations in this Form 10-K.

Corporate Headquarters

Our executive offices are located at National City Center, 115 West Washington Street, Indianapolis, Indiana 46204, and its telephone number is (317) 636-1600.

Executive Officers of the Registrant

The following table sets forth certain information with respect to the executive officers of SPG, which is the managing general partner of the SPG Operating Partnership, as of December 31, 2001.

<i>Name</i>	<i>Age</i>	<i>Position</i>
Melvin Simon(1)	75	Co-Chairman
Herbert Simon(1)	67	Co-Chairman
David Simon(1)	40	Chief Executive Officer
Hans C. Mautner	63	Vice Chairman; Chairman, Simon Global Limited
Richard S. Sokolov	52	President and Chief Operating Officer
Randolph L. Foxworthy	57	Executive Vice President - Corporate Development
William J. Garvey	62	Executive Vice President - Property Development
James A. Napoli	55	Executive Vice President - Leasing
John R. Neutzling	49	Executive Vice President - Property Management
James M. Barkley	50	General Counsel; Secretary
Stephen E. Sterrett	46	Executive Vice President and Chief Financial Officer
Drew Sheinman	44	President - Simon Brand Ventures
Joseph S. Mumphrey	50	President - Simon Business Network
John Rulli	45	Senior Vice President and Chief Administrative Officer
Andrew A. Juster	49	Senior Vice President and Treasurer
David Schacht	38	Senior Vice President and Chief Information Officer

(1) Melvin Simon is the brother of Herbert Simon and the father of David Simon.

Set forth below is a summary of the business experience of the executive officers of the Companies. The executive officers of the Companies serve at the pleasure of the Board of Directors. For biographical information of Melvin Simon, Herbert Simon, David Simon, Hans C. Mautner, and Richard Sokolov, see Item 10 of this report.

Mr. Foxworthy is the Executive Vice President - Corporate Development of the Companies. Mr. Foxworthy joined Melvin Simon & Associates, Inc. ("MSA") in 1980 and has been an Executive Vice President in charge of Corporate Development of MSA since 1986 and has held the same position with the Companies since 1993.

Mr. Garvey is the Executive Vice President - Property Development of the Companies. Mr. Garvey, who was Executive Vice President and Director of Development at MSA, joined MSA in 1979 and held various positions with MSA.

Mr. Napoli is the Executive Vice President - Leasing of the Companies. Mr. Napoli also served as Executive Vice President and Director of Leasing of MSA, which he joined in 1989.

Mr. Neutzling is the Executive Vice President - Property Management of the Companies. Mr. Neutzling has also been an Executive Vice President of MSA since 1992 overseeing all property and asset management functions. He joined MSA in 1974 and has held various positions with MSA.

Mr. Barkley serves as the Companies' General Counsel and Secretary. Mr. Barkley holds the same position for MSA. He joined MSA in 1978 as Assistant General Counsel for Development Activity.

Mr. Sterrett serves as the Companies' Executive Vice-President and Chief Financial Officer. He joined MSA in 1989 and has held various positions with MSA.

Mr. Mumphrey holds the position of President - Simon Business Network. He joined MSA in 1974 and has held various property and asset management positions with MSA.

Mr. Juster serves as the Companies' Senior Vice-President and Treasurer. He joined MSA in 1989 and has held various financial positions with MSA.

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Mr. Rulli serves as the Companies' Senior Vice-President and Chief Administrative Officer. He joined MSA in 1988 and has held various positions with MSA.

Mr. Sheinman holds the position of President - Simon Brand Ventures. He joined the Companies' in 1998 as Senior Vice President of Marketing and Business Development.

Mr. Schacht serves as the Companies' Senior Vice-President and Chief Information Officer. He joined the Companies in 1997 and has held various information technology positions.

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Item 2. Properties

Portfolio Properties

Our Properties primarily consist of regional malls and community shopping centers. Regional malls generally contain two or more anchors and a wide variety of smaller stores ("Mall" stores) located in enclosed malls connecting the anchors. Additional stores ("Freestanding" stores) are usually located along the perimeter of the parking area. Our 165 regional malls range in size from approximately 300,000 to 2.8 million square feet of GLA, with all but four regional malls over 400,000 square feet. These regional malls contain in the aggregate more than 17,000 occupied stores, including over 650 anchors, which are mostly national retailers. As of December 31, 2001, regional malls (including specialty retail centers and retail space in the mixed-use Properties) represented 84.7% of total GLA, 79.2% of Owned GLA and 86.3% of total annualized base rent of the Properties.

Community shopping centers are generally unenclosed and smaller than regional malls. Most of our 72 community shopping centers in the Properties range in size from approximately 50,000 to 600,000 square feet of GLA. Community shopping centers generally are of two types. First, we own traditional community centers that focus primarily on value-oriented and convenience goods and services. These centers are usually anchored by a supermarket, drugstore or discount retailer and are designed to service a neighborhood area. Second, we own "power centers" that are designed to serve a larger trade area and contain at least two anchors that are usually national retailers among the leaders in their markets and occupy more than 70% of the GLA in the center. As of December 31, 2001, community shopping centers represented 9.2% of total GLA, 10.8% of Owned GLA and 5.9% of the total annualized base rent of the Properties.

We also have interests in five specialty retail centers, four office and mixed-use Properties and five value-oriented super-regional malls. The specialty retail centers contain approximately 1,843,000 square feet of GLA and do not have anchors. These properties feature retailers and entertainment facilities in a distinctive shopping environment and location. The four office and mixed-use Properties range in size from approximately 512,000 to 1,030,000 square feet of GLA. Two of these Properties are regional malls with connected office buildings, and two are located in mixed-use developments and contain primarily office space. The value-oriented super-regional malls range in size from approximately 1.0 million to 1.6 million square feet of GLA. These Properties combine retail outlets, manufacturers' off-price stores and other value-oriented tenants. As of December 31, 2001, value-oriented super-regional malls represented 3.5% of total GLA, 5.9% of Owned GLA and 5.5% of the total annualized base rent of the Properties.

As of December 31, 2001, approximately 91.9% of the Mall and Freestanding Owned GLA in regional malls, specialty retail centers and the retail space in the mixed use Properties was leased, approximately 93.7% of the Owned GLA in the value-oriented super-regional malls was leased, and approximately 89.3% of Owned GLA in the community shopping centers was leased.

Of the 251 Properties, we own 100% of 170 of the Properties and the remainder are held as joint venture interests. We are the managing or co-managing general partner or member of all but 15 of the Properties held as joint venture interests.

Additional Information

The following table sets forth certain information, as of December 31, 2001, regarding the Properties:

Name/Location	Ownership Interest (Expiration if Lease) (1)	Our Percentage Interest (2)	Type (3)	Year Built or Acquired	Total GLA	Retail Anchors
REGIONAL MALLS						
1. Alton Square Alton, IL	Fee	100.0	Cons	Acquired 1993	639,057	Sears, JCPenney, Famous Barr
2. Amigoland Mall (28) Brownsville, TX	Fee	100.0	Cons	Built 1974	557,897	Beall's
3. Anderson Mall Anderson, SC	Fee	100.0	Cons	Built 1972	623,667	Belk (4), JCPenney, Sears
4. Apple Blossom Mall Winchester, VA	Fee	49.1	JV	Acquired 1999	442,992	Belk, JCPenney, Sears
5. Arsenal Mall Watertown, MA	Fee	100.0	Cons	Acquired 1999	501,758(5)	Marshall's, (6)
6. Auburn Mall Auburn, MA	Fee	49.1	JV	Acquired 1999	597,698	Filene's (7), Sears
7. Aurora Mall Aurora, CO	Fee	100.0	Cons	Acquired 1998	1,013,940	JCPenney, Foley's (4), Sears
8. Aventura Mall (8) Miami, FL	Fee	33.3	JV	Built 1983	1,900,791	Macy's, Sears, Bloomingdales, JCPenney, Lord & Taylor, Burdines
9. Avenues, The Jacksonville, FL	Fee	25.0	JV	Built 1990	1,112,698	Belk, Dillard's, JCPenney, Parisian, Sears
10. Barton Creek Square Austin, TX	Fee	100.0	Cons	Built 1981	1,249,418	Dillard's (4), Foley's, Sears, Nordstrom (9), JCPenney
11. Battlefield Mall Springfield, MO	Fee and Ground Lease (2056)	100.0	Cons	Built 1970	1,185,021	Dillard's (4), Famous Barr, Sears, JCPenney
12. Bay Park Square Green Bay, WI	Fee	100.0	Cons	Built 1980	668,029	Younkers (9), Elder-Beerman, Kohl's, Shopko
13. Bergen Mall Paramus, NJ	Fee and Ground Lease (10) (2061)	100.0	Cons	Acquired 1987	899,867	Off 5 th -Saks Fifth Avenue Outlet, Value City Furniture, Macy's, Marshall's
14. Biltmore Square Asheville, NC	Fee	66.7	Cons	Built 1989	494,280	Belk, Dillard's, Proffitt's, Goody's
15. Bowie Town Center Bowie, MD	Fee	100.0	Cons	Built 2001	649,856	Hecht's, Sears, Old Navy, Barnes & Noble, Bed, Bath & Beyond
16. Boynton Beach Mall Boynton Beach, FL	Fee	100.0	Cons	Built 1985	1,184,573	Macy's, Burdines, Sears, Dillard's (4), JCPenney
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17. Brea Mall Brea, CA	Fee	100.0	Cons	Acquired 1998	1,304,272	Macy's, JCPenney, Robinsons- May, Nordstrom, Sears

18.	Broadway Square Tyler, TX	Fee	100.0	Cons	Acquired 1994	617,033	Dillard's, JCPenney, Sears
19.	Brunswick Square East Brunswick, NJ	Fee	100.0	Cons	Built 1973	768,663	Macy's, JCPenney, Barnes & Noble
20.	Burlington Mall Burlington, MA	Ground Lease (2048)	100.0	Cons	Acquired 1998	1,252,087	Macy's, Lord & Taylor, Filene's, Sears
21.	Cape Cod Mall Hyannis, MA	Ground Leases (10) (2009-2073)	49.1	JV	Acquired 1999	723,621	Macy's, Filene's, Marshall's, Sears, Best Buy, Barnes & Noble
22.	Castleton Square Indianapolis, IN	Fee	100.0	Cons	Built 1972	1,460,926	Galyan's, LS Ayres, Lazarus, JCPenney, Sears, Von Maur
23.	Century III Mall Pittsburgh, PA	Fee	100.0	Cons	Built 1979	1,284,197	JCPenney, Sears, T.J. Maxx, Kaufmann's (4), Wickes Furniture
24.	Charlottesville Fashion Square Charlottesville, VA	Ground Lease (2076)	100.0	Cons	Acquired 1997	571,521	Belk (4), JCPenney, Sears
25.	Chautauqua Mall Jamestown, NY	Fee	100.0	Cons	Built 1971	432,733	Sears, JCPenney, Office Max, The Bon Ton
26.	Cheltenham Square Philadelphia, PA	Fee	100.0	Cons	Built 1981	636,981	Burlington Coat Factory, Home Depot, Value City, Seaman's Furniture, Shop Rite
27.	Chesapeake Square Chesapeake, VA	Fee and Ground Lease (11) (2062)	75.0	Cons	Built 1989	797,319	Dillard's (4), JCPenney, Sears, Hecht's, Target (9)
28.	Cielo Vista Mall El Paso, TX	Fee and Ground Lease (12) (2027)	100.0	Cons	Built 1974	1,191,768	Dillard's (4), JCPenney, Foley's, Sears
29.	Circle Centre Indianapolis, IN	Property Lease (2097)	14.7	JV	Built 1995	795,859	Nordstrom, Parisian
30.	College Mall Bloomington, IN	Fee and Ground Lease (12) (2048)	100.0	Cons	Built 1965	706,800	Sears, Lazarus, L.S. Ayres, Target, (6)
31.	Columbia Center Kennewick, WA	Fee	100.0	Cons	Acquired 1987	745,640	Sears, JCPenney, Gottschalks, Barnes & Noble, The Bon Marche
32.	Coral Square (27) Coral Springs, FL	Fee	50.0	JV	Built 1984	945,474	Dillard's, JCPenney, Sears, Burdines (4)

33.	Cordova Mall Pensecola, FL	Fee	100.0	Cons	Acquired 1998	852,223	Ward, Parisian, Dillard's (4), Best Buy (9), (6)
34.	Cottonwood Mall Albuquerque, NM	Fee	100.0	Cons	Built 1996	1,041,230	Dillard's, Foley's, JCPenney, Mervyn's, Sears (9)
35.	Crossroads Mall Omaha, NE	Fee	100.0	Cons	Acquired 1994	858,650	Dillard's, Sears, Younkers, Barnes & Noble
36.	Crystal Mall Waterford, CT	Fee	74.6	JV	Acquired 1998	785,070	Macy's, Filene's, JCPenney, Sears
37.	Crystal River Mall Crystal River, FL	Fee	100.0	Cons	Built 1990	423,941	JCPenney, Sears, Belk, Kmart
38.	Dadeland Mall Miami, FL	Fee	50.0	JV	Acquired 1997	1,404,815	Saks Fifth Avenue, JCPenney, Burdine's, Burdine's Home Gallery, Limited, Lord & Taylor
39.	DeSoto Square Bradenton, FL	Fee	100.0	Cons	Built 1973	689,159	JCPenney, Sears, Dillard's, Burdines
40.	Eastern Hills Mall Buffalo, NY	Fee	100.0	Cons	Built 1971	994,110	Sears, JCPenney, The Bon Ton, Kaufmann's, Burlington Coat Factory, (6)
41.	Eastland Mall Evansville, IN	Fee	50.0	JV	Acquired 1998	899,718	JC Penney, De Jong's, Famous Barr, Lazarus
42.	Eastland Mall Tulsa, OK	Fee	100.0	Cons	Built 1986	706,996	Dillard's, Foley's, Mervyn's, (6)

43.	Edison Mall Fort Myers, FL	Fee	100.0	Cons	Acquired 1997	1,042,442	Dillard's, JCPenney, Sears, Burdines (4)
44.	Emerald Square North Attleborough, MA	Fee	49.1	JV	Acquired 1999	1,022,630	Filene's, JCPenney, Lord & Taylor, Sears
45.	Empire Mall (8) Sioux Falls, SD	Fee and Ground Lease (10) (2013)	50.0	JV	Acquired 1998	1,057,414	JCPenney, Younkers, Sears, Dayton Hudson, Richman Gordman
46.	Fashion Mall at Keystone at the Crossing, The Indianapolis, IN	Ground Lease (2067)	100.0	Cons	Acquired 1997	655,320	Jacobsons, Parisian
47.	Fashion Valley Mall San Diego, CA	Fee	50.0	JV	Acquired 2001	1,709,985	JCPenney, Macy's, Neiman- Marcus, Nordstrom, Robinson- May, Saks Fifth Avenue
48.	Florida Mall, The (27) Orlando, FL	Fee	50.0	JV	Built 1986	1,632,180	Dillard's, JCPenney, Lord & Taylor (9), Saks Fifth Avenue, Sears, Burdines, Nordstrom (9)
49.	Forest Mall Fond Du Lac, WI	Fee	100.0	Cons	Built 1973	501,556	JCPenney, Kohl's, Younkers, Sears, Staples

50.	Forest Village Park Mall Forestville, MD	Fee	100.0	Cons	Built 1980	418,500	JCPenney, Kmart
51.	Granite Run Mall Media, PA	Fee	50.0	JV	Acquired 1998	1,047,283	JCPenney, Sears, Boscovs
52.	Great Lakes Mall Cleveland, OH	Fee	100.0	Cons	Built 1961	1,314,861	Dillard's (4), Kaufmann's, JCPenney, Sears
53.	Greendale Mall Worcester, MA	Fee and Ground Lease (10) (2009)	49.1	JV	Acquired 1999	434,699(13)	Best Buy, Marshall's, T.J. Maxx & More
54.	Greenwood Park Mall Greenwood, IN	Fee	100.0	Cons	Acquired 1979	1,327,753	JCPenney, JCPenney Home Store, Lazarus, L.S. Ayres, Sears, Service Merchandise, Von Maur
55.	Gulf View Square Port Richey, FL	Fee	100.0	Cons	Built 1980	804,216	Sears, Dillard's (7), JCPenney, Burdines
56.	Gwinnett Place Atlanta, GA	Fee	50.0	JV	Acquired 1998	1,276,470	Parisian, Macy's, Rich's JCPenney, Sears
57.	Haywood Mall Greenville, SC	Fee and Ground Lease (10) (2017)	100.0	Cons	Acquired 1998	1,245,133	Rich's, Sears, Dillard's, JCPenney, Belk Simpson
58.	Heritage Park Mall Midwest City, OK	Fee	100.0	Cons	Built 1978	605,236	Dillard's, Sears, (6)
59.	Highland Mall (8) Austin, TX	Fee and Ground Lease (2070)	50.0	JV	Acquired 1998	1,090,685	Dillard's (4), Foley's, JCPenney
60.	Hutchinson Mall Hutchinson, KS	Fee	100.0	Cons	Built 1985	525,618	Dillard's, JCPenney, Sears, Wal- Mart
61.	Independence Center Independence, MO	Fee	100.0	Cons	Acquired 1994	1,022,749	Dillard's, Sears, The Jones Store Co.
62.	Indian River Mall Vero Beach, FL	Fee	50.0	JV	Built 1996	748,157	Sears, JCPenney, Dillard's, Burdines
63.	Ingram Park Mall San Antonio, TX	Fee	100.0	Cons	Built 1979	1,129,992	Dillard's (4), Foley's, JCPenney, Sears, Beall's
64.	Irving Mall Irving, TX	Fee	100.0	Cons	Built 1971	1,124,413	Foley's, Dillard's, Mervyn's, Sears, Barnes & Noble, (6)
65.	Jefferson Valley Mall Yorktown Heights, NY	Fee	100.0	Cons	Built 1983	587,700	Macy's, Sears, H & M
66.	Knoxville Center Knoxville, TN	Fee	100.0	Cons	Built 1984	981,288	Dillard's, JCPenney, Proffitt's, Sears, The Rush
67.	La Plaza McAllen, TX	Fee and Ground Lease (10) (2040)	100.0	Cons	Built 1976	1,214,966	Dillard's, JCPenney, Foley's,

68.	Lafayette Square Indianapolis, IN	Fee	100.0	Cons	Built 1968	1,215,198	JCPenney, LS Ayres, Sears, Lazarus, Burlington Coat Factory
69.	Laguna Hills Mall Laguna Hills, CA	Fee	100.0	Cons	Acquired 1997	867,114	Macy's, JCPenney, Sears
70.	Lake Square Mall Leesburg, FL	Fee	50.0	JV	Acquired 1998	560,975	JCPenney, Sears, Belk, Target
71.	Lakeline Mall N. Austin, TX	Fee	100.0	Cons	Built 1995	1,099,202	Dillard's, Foley's, Sears, JCPenney, Mervyn's
72.	Lenox Square Atlanta, GA	Fee	100.0	Cons	Acquired 1998	1,479,576	Neiman Marcus, Macy's, Rich's
73.	Liberty Tree Mall Newton, MA	Fee	49.1	JV	Acquired 1999	857,117	Marshall's, Sports Authority, Target, Best Buy, Staples, Bed, Bath & Beyond, (6)
74.	Lima Mall Lima, OH	Fee	100.0	Cons	Built 1965	746,613	Elder-Beerman, Sears, Lazarus, JCPenney
75.	Lincolnwood Town Center Lincolnwood, IL	Fee	100.0	Cons	Built 1990	422,106	JCPenney, Carson Pirie Scott, (6)
76.	Lindale Mall (8) Cedar Rapids, IA	Fee	50.0	JV	Acquired 1998	691,623	Von Maur, Sears, Younkers
77.	Livingston Mall Livingston, NJ	Fee	100.0	Cons	Acquired 1998	985,537	Macy's, Sears, Lord & Taylor
78.	Longview Mall Longview, TX	Fee	100.0	Cons	Built 1978	613,846	Dillard's (4), JCPenney, Sears, Service Merchandise, Beall's
79.	Machesney Park Mall (28) Rockford, IL	Fee	100.0	Cons	Built 1979	554,916	Seventh Avenue Direct, Bergners
80.	Mall at Rockingham Park Salem, NH	Fee	24.6	JV	Acquired 1999	1,020,581	Macy's, Filene's, JCPenney, Sears
81.	Mall of America Minneapolis, MN	Fee (14)	27.5	JV	Acquired 1999	2,778,608	Macy's, Bloomingdales, Nordstrom, Sears, Knott's Camp Snoopy
82.	Mall of Georgia Gwinnett County, GA	Fee	50.0	JV	Built 1999	1,785,432	Lord & Taylor, Rich's, Dillard's, Galyan's, Haverly's, JCPenney, Nordstrom, Bed, Bath & Beyond
83.	Mall of New Hampshire Manchester, NH	Fee	49.1	JV	Acquired 1999	806,469	Filene's, JCPenney, Sears, Best Buy
84.	Markland Mall Kokomo, IN	Ground Lease (2041)	100.0	Cons	Built 1968	393,102	Lazarus, Sears, Target
85.	McCain Mall N. Little Rock, AR	Ground Lease (15) (2032)	100.0	Cons	Built 1973	777,092	Sears, Dillard's, JCPenney, M.M. Cohn

86.	Melbourne Square Melbourne, FL	Fee	100.0	Cons	Built 1982	729,331	Belk, Dillard's (4), JCPenney, Burdines
87.	Memorial Mall Sheboygan, WI	Fee	100.0	Cons	Built 1969	348,601	Kohl's, Sears, Hobby Lobby (9)
88.	Menlo Park Mall Edison, NJ	Fee	100.0	Cons	Acquired 1997	1,297,201(16)	Macy's (4), Nordstrom
89.	Mesa Mall (8) Grand Junction, CO	Fee	50.0	JV	Acquired 1998	856,175	Sears, Herberger's, JCPenney, Target, Mervyn's
90.	Metrocenter Phoenix, AZ	Fee	50.0	JV	Acquired 1998	1,366,738	Macy's, Dillard's, Robinsons-May, JCPenney, Sears, Vans Skate Park

91.	Miami International Mall (27) Miami, FL	Fee	60.0	Cons	Built 1982	972,947	Sears, Dillard's, JCPenney, Burdines (4)
92.	Midland Park Mall Midland, TX	Fee	100.0	Cons	Built 1980	619,202	Dillard's (4), JCPenney, Sears, Beall's
93.	Miller Hill Mall Duluth, MN	Ground Lease (2008)	100.0	Cons	Built 1973	807,810	JCPenney, Sears, Younkers, Barnes & Noble
94.	Mounds Mall Anderson, IN	Ground Lease (2033)	100.0	Cons	Built 1965	404,483	Elder-Beerman, JCPenney, Sears
95.	Muncie Mall Muncie, IN	Fee	100.0	Cons	Built 1970	657,451	JCPenney, L.S. Ayres, Sears, Elder Beerman
96.	Nanuet Mall Nanuet, NY	Fee	100.0	Cons	Acquired 1998	915,139	Macy's, Boscov, Sears
97.	North East Mall Hurst, TX	Fee	100.0	Cons	Built 1971	1,705,334	Saks Fifth Avenue, Nordstrom, Dillard's, JCPenney, Sears, Foley's, (6)
98.	North Towne Square Toledo, OH	Fee	100.0	Cons	Built 1980	748,122	(6)
99.	Northfield Square Bradley, IL	Fee (11)	31.6	JV	Built 1990	558,365	Sears, JCPenney, Carson Pirie Scott (4)
100.	Northgate Mall Seattle, WA	Fee	100.0	Cons	Acquired 1987	1,012,870	Nordstrom, JCPenney, Gottschalk, The Bon Marche
101.	Northlake Mall Atlanta, GA	Fee	100.0	Cons	Acquired 1998	961,977	Parisian, Macy's, Sears, JCPenney
102.	Northpark Mall Davenport, IA	Fee	50.0	JV	Acquired 1998	1,056,596	Von Maur, Younkers, Dillard's (9), JCPenney, Sears, Barnes & Noble
103.	Northshore Mall Peabody, MA	Fee	49.1	JV	Acquired 1999	1,684,590	Macy's, Filene's, JCPenney, Lord & Taylor, Sears
104.	Northwoods Mall Peoria, IL	Fee	100.0	Cons	Acquired 1983	695,395	Famous Barr, JCPenney, Sears

105.	Oak Court Mall Memphis, TN	Fee	100.0	Cons	Acquired 1997	853,333(17)	Dillard's (4), Goldsmith's
106.	Orange Park Mall Jacksonville, FL	Fee	100.0	Cons	Acquired 1994	928,831	Dillard's, JCPenney, Sears, Belk
107.	Orland Square Orland Park, IL	Fee	100.0	Cons	Acquired 1997	1,217,507	JCPenney, Marshall Field, Sears, Carson Pirie Scott
108.	Paddock Mall Ocala, FL	Fee	100.0	Cons	Built 1980	559,902	JCPenney, Sears, Belk, Burdines
109.	Palm Beach Mall West Palm Beach, FL	Fee	100.0	Cons	Built 1967	1,212,678	Dillard's, JCPenney, Sears, Burdines, Borders Books & Music, MARS, (6)
110.	Phipps Plaza Atlanta, GA	Fee	100.0	Cons	Acquired 1998	821,501	Lord & Taylor, Parisian, Saks Fifth Avenue
111.	Port Charlotte Town Center Port Charlotte, FL	Ground Lease (11) (2064)	80.0	Cons	Built 1989	780,562	Dillard's, JCPenney, Beall's (9), Sears, Burdines
112.	Prien Lake Mall Lake Charles, LA	Fee and Ground Lease (10) (2025)	100.0	Cons	Built 1972	812,022	Dillard's, JCPenney, Foley's (9), Sears, The White House
113.	Raleigh Springs Mall Memphis, TN	Fee and Ground Lease (10) (2018)	100.0	Cons	Built 1979	917,789	Dillard's, Sears, JCPenney, Goldsmith's
114.	Randall Park Mall (28) (29) Cleveland, OH	Fee	100.0	Cons	Built 1976	1,563,546	Dillard's, Kaufmann's, Sears, Burlington Coat Factory, Ohio Furniture Mart.com, (6)
115.	Richardson Square Dallas, TX	Fee	100.0	Cons	Built 1977	745,515	Dillard's, Sears, Stein Mart, Target, Ross Dress for Less, Barnes & Noble, Super Target (9)

116.	Richmond Square Richmond, IN	Fee	100.0	Cons	Built 1966	391,217	Dillard's, JCPenney, Sears, Office Max
117.	Richmond Town Square Cleveland, OH	Fee	100.0	Cons	Built 1966	1,021,546	Sears, JCPenney, Kaufmann's, Barnes & Noble, Old Navy
118.	River Oaks Center Calumet City, IL	Fee	100.0	Cons	Acquired 1997	1,362,404(18)	Sears, JCPenney, Carson Pirie Scott, Marshall Field's
119.	Rockaway Townsquare Rockaway, NJ	Fee	100.0	Cons	Acquired 1998	1,242,037	Macy's, Lord & Taylor, JCPenney, Sears
120.	Rolling Oaks Mall North San Antonio, TX	Fee	100.0	Cons	Built 1988	737,781	Sears, Dillard's, Foley's,
121.	Roosevelt Field Mall Garden City, NY	Ground Lease (10) (2090)	100.0	Cons	Acquired 1998	2,178,006	Macy's, Bloomingdale's, JCPenney, Nordstrom, (6)
122.	Ross Park Mall Pittsburgh, PA	Fee	100.0	Cons	Built 1986	1,276,177	Lazarus, JCPenney, Sears, Kaufmann's, Media Play, Designer Shoe Warehouse

123.	Rushmore Mall (8) Rapid City, SD	Fee	50.0	JV	Acquired 1998	835,224	JCPenney, Sears, Herberger's, Hobby Lobby, Target
124.	St. Charles Towne Center Waldorf, MD	Fee	100.0	Cons	Built 1990	1,044,196	Sears, JCPenney, Kohl's, Hecht's (7)
125.	Santa Rosa Plaza Santa Rosa, CA	Fee	100.0	Cons	Acquired 1998	696,411	Macy's, Mervyn's, Sears
126.	Seminole Towne Center Sanford, FL	Fee	45.0	JV	Built 1995	1,153,559	Dillard's, JCPenney, Parisian, Sears, Burdines
127.	Shops at Mission Viejo Mall, The Mission Viejo, CA	Fee	100.0	Cons	Built 1979	1,145,489	Macy's, Saks Fifth Avenue, Robinsons - May, Nordstrom
128.	Smith Haven Mall Lake Grove, NY	Fee	25.0	JV	Acquired 1995	1,363,904	Macy's, Sears, JCPenney, H & M, (6)
129.	Solomon Pond Mall Marlborough, MA	Fee	49.1	JV	Acquired 1999	880,786	Filene's, Sears, JCPenney, Linens-N-Things
130.	Source, The Long Island, NY	Fee	25.0	JV	Built 1997	728,763	Off 5th-Saks Fifth Avenue, Fortunoff, Nordstrom Rack, Old Navy, Circuit City, Virgin Megastore
131.	South Hills Village Pittsburgh, PA	Fee	100.0	Cons	Acquired 1997	1,113,247	Sears, Kaufmann's, Lazarus
132.	South Park Mall Shreveport, LA	Fee	100.0	Cons	Built 1975	857,775	Burlington Coat Factory, Stage, Wholesale America, (6)
133.	South Shore Plaza Braintree, MA	Fee	100.0	Cons	Acquired 1998	1,443,696	Macy's, Filene's, Lord & Taylor, Sears
134.	Southern Hills Mall (8) Sioux City, IA	Fee	50.0	JV	Acquired 1998	750,418	Younkers, Sears, Target
135.	Southern Park Mall Youngstown, OH	Fee	100.0	Cons	Built 1970	1,198,862	Dillard's, JCPenney, Sears, Kaufmann's
136.	Southgate Mall Yuma, AZ	Fee	100.0	Cons	Acquired 1988	321,564	Sears, Dillard's, JCPenney, Hastings
137.	SouthPark Mall Moline, IL	Fee	50.0	JV	Acquired 1998	1,032,672	JCPenney, Dillard's (9), Younkers, Sears, Von Maur
138.	SouthRidge Mall (8) Des Moines, IA	Fee	50.0	JV	Acquired 1998	1,008,088	Sears, Younkers, JCPenney, Target, (6)
139.	Square One Mall Saugus, MA	Fee	49.1	JV	Acquired 1999	850,487	Filene's, Sears, Service Merchandise, TJMaxx & More
140.	Summit Mall Akron, OH	Fee	100.0	Cons	Built 1965	762,876	Dillard's (4), Kaufmann's

141.	Sunland Park Mall El Paso, TX	Fee	100.0	Cons	Built 1988	919,543	JCPenney, Mervyn's, Sears, Dillard's (4)
142.	Tacoma Mall Tacoma, WA	Fee	100.0	Cons	Acquired 1987	1,263,690	Nordstrom, Sears, JCPenney, The Bon Marche, Mervyn's
143.	Tippecanoe Mall Lafayette, IN	Fee	100.0	Cons	Built 1973	861,364	Lazarus, Sears, L.S. Ayres, JCPenney, Kohl's
144.	Town Center at Boca Raton Boca Raton, FL	Fee	100.0	Cons	Acquired 1998	1,554,606	Lord & Taylor, Saks Fifth Avenue, Bloomingdale's, Sears, Burdines, Nordstrom
145.	Town Center at Cobb Atlanta, GA	Fee	50.0	JV	Acquired 1998	1,272,847	Macy's, Parisian, Sears, JCPenney, Rich's
146.	Towne East Square Wichita, KS	Fee	100.0	Cons	Built 1975	1,092,070	Dillard's, JCPenney, Sears, Von Maur (9), Steinmart
147.	Towne West Square Wichita, KS	Fee	100.0	Cons	Built 1980	966,057	Dillard's (4), Sears, JCPenney, (6)
148.	Treasure Coast Square Jensen Beach, FL	Fee	100.0	Cons	Built 1987	872,277	Dillard's (4), Sears, Borders JCPenney, Burdines
149.	Tyrone Square St. Petersburg, FL	Fee	100.0	Cons	Built 1972	1,128,815	Dillard's, JCPenney, Sears, Borders, Burdines
150.	University Mall Little Rock, AR	Ground Lease (2026)	100.0	Cons	Built 1967	565,306	JCPenney, M.M. Cohn, Sears (9)
151.	University Mall Pensacola, FL	Fee	100.0	Cons	Acquired 1994	707,203	JCPenney, Sears, McRae's
152.	University Park Mall South Bend, IN	Fee	60.0	Cons	Built 1979	941,112	LS Ayres, JCPenney, Sears, Marshall Fields
153.	Upper Valley Mall Springfield, OH	Fee	100.0	Cons	Built 1971	750,486	Lazarus, JCPenney, Sears, Elder- Beerman
154.	Valle Vista Mall Harlingen, TX	Fee	100.0	Cons	Built 1983	656,654	Dillard's, Mervyn's, Sears, JCPenney, Marshalls, Beall's
155.	Valley Mall Harrisonburg, VA	Fee	50.0	JV	Acquired 1998	511,889	JCPenney, Belk, Wal-Mart, Peebles
156.	Virginia Center Commons Richmond, VA	Fee	100.0	Cons	Built 1991	786,639	Dillard's (4), Hecht's, JCPenney, Sears
157.	Walt Whitman Mall Huntington Station, NY	Ground Rent (2012)	98.4	Cons	Acquired 1998	1,027,872	Macy's, Lord & Taylor, Bloomingdale's, Saks Fifth Avenue
158.	Washington Square Indianapolis, IN	Fee	100.0	Cons	Built 1974	1,121,521	L.S. Ayres, Lazarus, Target, Sears, (6)
159.	West Ridge Mall Topeka, KS (19)	Fee	100.0	Cons	Built 1988	1,040,623	Dillard's, JCPenney, The Jones Store, Sears, (6)
160.	West Town Mall (27) Knoxville, TN	Ground Lease (2042)	50.0	JV	Acquired 1991	1,334,029	Parisian, Dillard's, JCPenney, Proffitt's, Sears

161.	Westchester, The White Plains, NY	Fee	40.0	JV	Acquired 1997	826,540	Neiman Marcus, Nordstrom
162.	Westminster Mall Westminster, CA	Fee	100.0	Cons	Acquired 1998	1,042,803	Sears, JCPenney, Robinsons- May, Macy's (9)
163.	White Oaks Mall Springfield, IL	Fee	77.0	Cons	Built 1977	951,381	Famous Barr, Sears, Bergner's, (6)
164.	Windsor Park Mall (28) (29) San Antonio, TX	Fee	100.0	Cons	Built 1976	1,075,968	Ward, JCPenney, Mervyn's, (6)
165.	Woodville Mall (28) Toledo, OH	Fee	100.0	Cons	Built 1969	772,744	Sears, Elder-Beerman, Andersons, (6)

VALUE-ORIENTED REGIONAL MALLS

1.	Arizona Mills (8) Tempe, AZ	Fee	26.3	JV	Built 1997	1,227,442	Off 5 th -Saks Fifth Avenue Outlet, JCPenney Outlet, Burlington Coat Factory, Oshman's Super Sport, Rainforest Café, GameWorks, Hi-Health, Linens-N-Things, Ross Dress for Less, Group USA, Marshalls, Last Call, Off Rodeo, Virgin Megastore
2.	Arundel Mills (8) Anne Arundel, MD	Fee	37.5	JV	Built 2000	1,189,072	Sun & Ski Sports, Bass Pro Outdoor World, Muvico, For Your Entertainment, Jillian's, Bed, Bath & Beyond
3.	Concord Mills (8) Concord, NC	Fee	37.5	JV	Built 1999	1,247,394	Saks Fifth Avenue, Alabama Grill, Bass Pro, Bed, Bath & Beyond, Books-A-Million, Burlington Coat Factory, Group USA, Jillian's, T.J. Maxx, F.Y.E., Jeepers
4.	Grapevine Mills (8) Grapevine (Dallas/Ft. Worth), TX	Fee	37.5	JV	Built 1997	1,368,676	Off 5 th -Saks Fifth Avenue Outlet, JCPenney Outlet, Books-A-Million, Burlington Coat Factory, Rainforest Café, Group USA, Bed, Bath & Beyond, Polar Ice, GameWorks
5.	Ontario Mills (8) Ontario, CA	Fee	25.0	JV	Built 1996	1,571,661	Off 5 th -Saks Fifth Avenue Outlet, JCPenney Outlet, Burlington Coat Factory, Marshall's, Sports Authority, Dave & Busters, Group USA, T.J. Maxx, Fozzles, Totally for Kids, Bed, Bath & Beyond, Off Rodeo, Mikasa, Virgin Megastore, GameWorks

SPECIALTY RETAIL CENTERS

1.	Atrium Mall Chestnut Hill, MA	Fee	49.1	JV	Acquired 1999	208,841	Border Books & Music, Cheesecake Factory, Tiffany
2.	Orlando Premium Outlets (8) Orlando, FL	Fee	50.0	JV	Built 2000	427,765	--
3.	The Forum Shops at Caesars Las Vegas, NV	Ground Lease (2050)	(20)	Cons	Built 1992	482,416	--
4.	The Shops at Sunset Place Miami, FL	Fee	37.5	JV	Built 1999	503,802	Niketown, Barnes & Noble, Gameworks, Virgin Megastore, Z Gallerie
5.	Trolley Square Salt Lake City, UT	Fee	90.0	Cons	Acquired 1986	220,297	--

OFFICE AND MIXED-USE PROPERTIES

1.	Fashion Centre at Pentagon City, The Arlington, VA	Fee	42.5	JV	Built 1989	991,433 (21)	Macy's, Nordstrom
2.	New Orleans Centre/ CNG Tower New Orleans, LA	Fee and Ground Lease (2084)	100.0	Cons	Built 1988	1,030,094(22)	Macy's, Lord & Taylor
3.	O'Hare International Center Rosemont, IL	Fee	100.0	Cons	Built 1988	512,318(23)	--
4.	Riverway Rosemont, IL	Fee	100.0	Cons	Acquired 1991	817,359(24)	--

COMMUNITY SHOPPING CENTERS

1.	Arboretum, The Austin, TX	Fee	100.0	Cons	Acquired 1998	211,962	Barnes & Noble
2.	Bloomington Court Bloomington, IL	Fee	100.0	Cons	Built 1987	598,713	Best Buy, T.J. Maxx N More, Frank's Nursery, Office Max, Old Navy, Dress Barn, Linen "N Things, Wal-Mart, (6)
3.	Boardman Plaza Youngstown, OH	Fee	100.0	Cons	Built 1951	641,025	Burlington Coat Factory, Giant Eagle, Michael's, Linens-N- Things, T.J. Maxx, Steinmart, Sav-A-Lot, (6)
4.	Bridgeview Court Bridgeview, IL	Fee	100.0	Cons	Built 1988	273,678	(6)
5.	Brightwood Plaza Indianapolis, IN	Fee	100.0	Cons	Built 1965	38,493	Preston Safeway

6.	Celina Plaza El Paso, TX	Fee and Ground Lease (25) (2027)	100.0	Cons	Built 1978	32,622	
7.	Charles Towne Square Charleston, SC	Fee	100.0	Cons	Built 1976	199,693	Regal Cinema
8.	Chesapeake Center Chesapeake, VA	Fee	100.0	Cons	Built 1989	299,604	Phar Mor, K-Mart
9.	Cobblestone Court Victor, NY	Fee and Ground Lease (12) (2038)	35.0	JV	Built 1993	265,493	Dick's Sporting Goods, Kmart, Office Max
10.	Countryside Plaza Countryside, IL	Fee and Ground Lease (12) (2058)	100.0	Cons	Built 1977	435,608	Best Buy, Old Country Buffet, Kmart, Burlington Coat, (6)
11.	Crystal Court Crystal Lake, IL	Fee	35.0	JV	Built 1989	278,971	Cub Foods, Wal-Mart
12.	Eastgate Consumer Mall (28) Indianapolis, IN	Fee	100.0	Cons	Acquired 1981	463,650	Burlington Coat Factory
13.	Eastland Convenience Center Evansville, IN	Ground Lease (2075)	50.0	JV	Acquired 1998	173,069	Marshalls, Kids "R" Us, Toys "R" Us, Bed Bath & Beyond
14.	Eastland Plaza Tulsa, OK	Fee	100.0	Cons	Built 1986	188,229	Marshalls, Target, Toys "R" Us
15.	Empire East (8) Sioux Falls, SD	Fee	50.0	JV	Acquired 1998	271,351	Kohl's, Target, (6)
16.	Fairfax Court Fairfax, VA	Fee	26.3	JV	Built 1992	258,738	Burlington Coat Factory, Circuit City Superstore, Today's Man
17.	Forest Plaza Rockford, IL	Fee	100.0	Cons	Built 1985	431,001	Kohl's, Marshalls, Media Play, Michael's, Factory Card Outlet, Office Max, T.J. Maxx, Bed, Bath & Beyond, Petco
18.	Fox River Plaza (28) Elgin, IL	Fee	100.0	Cons	Built 1985	322,997	Big Lots, (6), (26)
19.	Gaitway Plaza Ocala, FL	Fee	23.3	JV	Built 1989	229,972	Books-A-Million, Office Depot, T.J. Maxx, Ross Dress for Less, Bed, Bath & Beyond
20.	Glen Burnie Mall (28) Glen Burnie, MD	Fee	100.0	Cons	Built 1963	455,291	Toys "R" Us, Best Buy, Dick's Clothing & Sporting Goods
21.	Great Lakes Plaza Cleveland, OH	Fee	100.0	Cons	Built 1976	164,104	Circuit City, Best Buy, Michael's, Cost Plus World Market

22.	Great Northeast Plaza	Fee	50.0	JV	Acquired 1989	298,242	Sears, Phar Mor
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	Philadelphia, PA						
23.	Greenwood Plus Greenwood, IN	Fee	100.0	Cons	Built 1979	173,481	Best Buy, Kohl's
24.	Griffith Park Plaza Griffith, IN	Ground Lease (2060)	100.0	Cons	Built 1979	274,230	(6)
25.	Grove at Lakeland Square, The Lakeland, FL	Fee	100.0	Cons	Built 1988	215,591	Sports Authority
26.	Highland Lakes Center Orlando, FL	Fee	100.0	Cons	Built 1991	478,014	Marshalls, Bed, Bath & Beyond, Foods Festival, Ross Dress for Less, Office Max, (6)
27.	Indian River Commons Vero Beach, FL	Fee	50.0	JV	Built 1997	264,681	Lowe's, Ross Dress for Less, Bed, Bath & Beyond, (6)
28.	Ingram Plaza San Antonio, TX	Fee	100.0	Cons	Built 1980	111,518	--
29.	Keystone Shoppes Indianapolis, IN	Ground Lease (2067)	100.0	Cons	Acquired 1997	29,140	--
30.	Knoxville Commons Knoxville, TN	Fee	100.0	Cons	Built 1987	180,463	Office Max, Circuit City
31.	Lake Plaza Waukegan, IL	Fee	100.0	Cons	Built 1986	215,498	Pic 'N Save, Home Owners Buyer's Outlet, (6)
32.	Lake View Plaza Orland Park, IL	Fee	100.0	Cons	Built 1986	381,907	Best Buy (4), Marshalls, Ulta Cosmetics, Factory Card Outlet, Golf Galaxy, Linens-N-Things (4), Pet Care Plus, (6)
33.	Lakeline Plaza Austin, TX	Fee	100.0	Cons	Built 1998	344,693	Old Navy, Best Buy, Cost Plus World Market, Linens-N-Things, Office Max, Petsmart, Ross Dress for Less, T.J. Maxx, Party City, Ulta Cosmetics
34.	Lima Center Lima, OH	Fee	100.0	Cons	Built 1978	201,154	Kohl's, Hobby Lobby
35.	Lincoln Crossing O'Fallon, IL	Fee	100.0	Cons	Built 1990	161,337	Wal-Mart, PetsMart
36.	Mainland Crossing Galveston, TX	Fee(11)	80.0	Cons	Built 1991	390,987	Hobby Lobby, Sam's Club, Wal-Mart
37.	Mall of Georgia Crossing Gwinnett County, GA	Fee	50.0	JV	Built 1999	440,612	Target, Nordstrom Rack, Best Buy, Staples, T.J. Maxx N More

38.	Markland Plaza Kokomo, IN	Fee	100.0	Cons	Built 1974	66,166	Best Buy, (6)
39.	Martinsville Plaza Martinsville, VA	Space Lease (2036)	100.0	Cons	Built 1967	102,105	Rose's
40.	Matteson Plaza Matteson, IL	Fee	100.0	Cons	Built 1988	275,455	Dominick's, Michael's Arts & Crafts, Value City
41.	Memorial Plaza Sheboygan, WI	Fee	100.0	Cons	Built 1966	131,499	Office Max, Big Lots
42.	Mounds Mall Cinema Anderson, IN	Fee	100.0	Cons	Built 1974	7,500	--
43.	Muncie Plaza Muncie, IN	Fee	100.0	Cons	Built 1998	172,651	Kohl's, Office Max, Shoe Carnival, T.J. Maxx, Target
44.	New Castle Plaza New Castle, IN	Fee	100.0	Cons	Built 1966	91,648	Goody's
45.	North Ridge Plaza Joliet, IL	Fee	100.0	Cons	Built 1985	305,070	Best Buy, Minnesota Fabrics, Hobby Lobby, Office Max, Cub Foods
46.	North Riverside Park Plaza North Riverside, IL	Fee	100.0	Cons	Built 1977	119,608	Dominick's

47.	Northland Plaza Columbus, OH	Fee and Ground Lease (10) (2085)	100.0	Cons	Built 1988	209,534	Marshalls, Hobby Lobby, (6)
48.	Northwood Plaza Fort Wayne, IN	Fee	100.0	Cons	Built 1974	204,372	Target, Cinema Grill, (6)
49.	Park Plaza Hopkinsville, KY	Fee and Ground Lease (10) (2039)	100.0	Cons	Built 1968	115,024	Wal-Mart, (6)
50.	Plaza at Buckland Hills, The Manchester, CT	Fee	35.0	JV	Built 1993	334,487	Toys "R" Us, Jo-Ann Etc., Kids "R" Us, Comp USA, Linens-N- Things, Party City, The Floor Store
51.	Regency Plaza St. Charles, MO	Fee	100.0	Cons	Built 1988	287,526	Wal-Mart, Sam's Wholesale, Pets Mart
52.	Ridgewood Court Jackson, MS	Fee	35.0	JV	Built 1993	240,662	T.J. Maxx, Bed, Bath & Beyond, Best Buy, Marshall's, Lifeway Christian Stores
53.	Rockaway Convenience Center Rockaway, NJ	Fee	100.0	Cons	Acquired 1998	135,426	Kids "R" Us, AMCE Grocery
54.	Royal Eagle Plaza Coral Springs, FL	Fee	35.0	JV	Built 1989	198,986	Kmart, Stein Mart

55.	Shops at Northeast Mall, The Hurst, TX	Fee	100.0	Cons	Built 1999	364,534	Old Navy, Nordstrom Rack, Bed, Bath & Beyond, Office Max, Michael's, Petsmart, T.J. Maxx, Ultra Cosmetics, Best Buy, Zany Brainy
56.	St. Charles Towne Plaza Waldorf, MD	Fee	100.0	Cons	Built 1987	404,952	Value City Furniture, T.J. Maxx, Ames, Jo Ann Fabrics, CVS, Shoppers Food Warehouse, (6)
57.	Teal Plaza Lafayette, IN	Fee	100.0	Cons	Built 1962	101,087	Circuit City, Hobby-Lobby, The Pep Boys
58.	Terrace at The Florida Mall Orlando, FL	Fee	100.0	Cons	Built 1989	329,362	Marshalls, Target
59.	Tippecanoe Plaza Lafayette, IN	Fee	100.0	Cons	Built 1974	94,598	Best Buy, Barnes & Noble
60.	University Center South Bend, IN	Fee	60.0	Cons	Built 1980	150,548	Best Buy, Michaels
61.	Village Park Plaza Westfield, IN	Fee	35.0	JV	Built 1990	528,154	Wal-Mart, Galyan's, Frank's Nursery, Kohl's, Marsh, (6)
62.	Wabash Village West Lafayette, IN	Ground Lease (2063)	100.0	Cons	Built 1970	124,536	Kmart
63.	Washington Plaza Indianapolis, IN	Fee	100.0	Cons	Built 1976	50,107	Kids "R" Us
64.	Waterford Lakes Town Center Orlando, FL	Fee	100.0	Cons	Built 1999	818,136	Super Target, T.J. Maxx, Barnes & Noble, Ross Dress for Less, Petsmart, Bed, Bath & Beyond, Old Navy, Best Buy, Office Max
65.	West Ridge Plaza Topeka, KS	Fee	100.0	Cons	Built 1988	237,858	Target, T.J. Maxx, Toys "R" Us, (6)
66.	West Town Corners Altamonte Springs, FL	Fee	23.3	JV	Built 1989	385,026	Wal-Mart, Sports Authority, PetsMart, Winn Dixie
67.	Westland Park Plaza Orange Park, FL	Fee	23.3	JV	Built 1989	163,154	Burlington Coat Factory, PetsMart, Sports Authority, Sound Advice
68.	White Oaks Plaza Springfield, IL	Fee	100.0	Cons	Built 1986	400,303	Kohl's, Kids "R" Us, Office Max, T.J. Maxx, Toys "R" Us, Cub Foods
69.	Wichita Mall Wichita, KS	Ground Lease (2022)	100.0	Cons	Built 1969	370,181	(6)

70. Willow Knolls Court Peoria, IL	Fee	35.0	JV	Built 1990	382,377	Kohl's, Phar-Mor, Sam's Wholesale Club
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71. Wood Plaza (28) Fort Dodge, IA	Ground Lease (2045)	100.0	Cons	Built 1968	96,195	
72. Yards Plaza, The Chicago, IL	Fee	35.0	JV	Built 1990	272,452	Burlington Coat Factory, Value City, Ralphs Food for Less

PROPERTIES UNDER CONSTRUCTION

None.

(Footnotes on following page)

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Footnotes:

- (1) The date listed is the expiration date of the last renewal option available to the operating entity under the ground lease. In a majority of the ground leases, the lessee has either a right of first refusal or the right to purchase the lessor's interest. Unless otherwise indicated, each ground lease listed in this column covers at least 50% of its respective Property.
- (2) The SPG Operating Partnership's interests in some of the Properties held as joint venture interests are subject to preferences on distributions in favor of other partners or the SPG Operating Partnership.
- (3) Properties that are noted as "Cons" are consolidated in accordance with our accounting policy and these properties are reported in our consolidated balance sheets and results of operations. Properties that are noted as "JV" are joint venture properties accounted for under the equity method of accounting in accordance with our accounting policy. These joint venture properties' results are reported in Note 7 in the Notes to Financial Statements included in Part IV of this Form 10-K.
- (4) This retailer operates two stores at this Property.
- (5) Primarily retail space with approximately 105,800 square feet of office space.
- (6) Includes anchor space currently vacant.
- (7) This retailer will operate two stores at this Property. One of these stores is currently under construction or in predevelopment.
- (8) This Property is managed by a third party.
- (9) Indicates anchor is currently under construction or in predevelopment.
- (10) Indicates ground lease covers less than 15% of the acreage of this Property.
- (11) The SPG Operating Partnership receives substantially all of the economic benefit of these Properties.
- (12) Indicates ground lease(s) cover(s) less than 50% of the acreage of the Property.
- (13) Primarily retail space with approximately 119,900 square feet of office space.
- (14) The SPG Operating Partnership is entitled to 50% of the economic benefits of this Property.
- (15) Indicates ground lease covers all of the Property except for parcels owned in fee by anchors.
- (16) Primarily retail space with approximately 46,000 square feet of office space.
- (17) Primarily retail space with approximately 130,000 square feet of office space.
- (18) Primarily retail space with approximately 101,000 square feet of office space.
- (19) Includes outlots in which the SPG Operating Partnership has an 85% interest and which represent less than 3% of the GLA and total annualized base rent for the Property.
- (20) The SPG Operating Partnership owns 60% of the original phase of this Property and 55% of phase II.
- (21) Primarily retail space with approximately 169,100 square feet of office space.
- (22) Primarily retail space with approximately 488,000 square feet of office space.
- (23) Primarily office space with approximately 12,800 square feet of retail space.
- (24) Primarily office space with approximately 24,300 square feet of retail space.
- (25) Indicates ground lease covers outparcel only.
- (26) Indicates anchor has closed, but the SPG Operating Partnership still collects rents and/or fees under an agreement.
- (27) We expect to acquire the remaining ownership interests in these properties in connection with the expected closing of the Rodamco North America, N.V. acquisition in 2002.
- (28) These properties are classified as assets held for sale. See Note 4 in the Notes to Financial Statements included in Part IV of this Form 10-K.
- (29) We are currently in negotiations with the properties' lenders to dispose of these properties in 2002.

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Land Held for Development

We have direct or indirect ownership interests in eleven parcels of land held for future development, containing an aggregate of approximately 772 acres located in eight states. In addition, we have an indirect interest in one parcel of land totaling 109 acres through M.S. Management Associates, Inc., which was previously held for development, but is now being marketed for sale.

Joint Ventures

At certain of the Properties held as joint-ventures, we and its partners each have rights of first refusal, subject to certain conditions, to acquire additional ownership in the Property should the other partner decide to sell its ownership interest. In addition, certain of the Properties held as joint ventures contain "buy-sell" provisions, which give the partners the right to trigger a purchase or sale of ownership interest amongst the partners.

Mortgage Financing on Properties

The following table sets forth certain information regarding the mortgages and other debt encumbering the Properties. Substantially all of the mortgage and property related debt is nonrecourse. In addition certain limited partner Unitholders have guaranteed a portion of the property related debt in the aggregate amount of \$559.3 million.

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MORTGAGE AND OTHER DEBT ON PORTFOLIO PROPERTIES
(Dollars in thousands)

Property Name		Interest Rate	Face Amount at 12/31/2001	Annual Debt Service	Maturity Date
<u>Combined Consolidated Indebtedness:</u>					
<u>Secured Indebtedness:</u>					
Simon Property Group, LP:					
Anderson Mall – 1	(1)	6.57%	19,000	1,248 (2)	3/15/2003 (4)
Anderson Mall – 2	(1)	7.01%	8,500	596 (2)	3/15/2003 (4)
Arboretum		3.37% (3)	34,000	1,147 (2)	11/30/2003 (4)
Arsenal Mall – 1		6.75%	33,849	2,724	9/28/2008
Arsenal Mall – 2		8.20%	2,051	286	5/15/2016
Battlefield Mall – 1		7.50%	45,040	4,765	1/1/2004
Battlefield Mall – 2		6.81%	43,513	3,524	1/1/2004
Biltmore Square		7.95%	26,000	2,067 (2)	12/11/2010
Bloomington Court	(5)	7.78%	29,333	2,578	10/1/2009
Bowie Mall – 1		3.37% (3)	1,294	44 (2)	12/14/2002
Bowie Mall – 2		3.37% (3)	46,317	1,563 (2)	12/14/2005 (4)
Brunswick Square		3.37% (3)	45,000	1,518 (2)	6/12/2005 (4)
Century III Mall		6.78%	66,000	4,475 (2)	7/1/2003
Chesapeake Center		8.44%	6,563	554 (2)	5/15/2015
Chesapeake Square		4.62% (16)	47,000	2,173 (2)	7/1/2006 (4)
Cielo Vista Mall – 1	(6)	9.38%	52,930	5,828	5/1/2007
Cielo Vista Mall – 2		8.13%	1,250	376	11/1/2005
Cielo Vista Mall – 3	(6)	6.76%	37,665	3,039	5/1/2007
CMBS Loan – Fixed Component	(7)	7.31%	175,000	12,790 (2)	12/15/2004
CMBS Loan – Variable Component	(7)	6.20% (8)	50,000	3,100 (2)	12/15/2004
College Mall – 1	(9)	7.00%	39,465	3,908	1/1/2009
College Mall – 2	(9)	6.76%	11,602	935	1/1/2009
Crystal River		7.63%	16,158	1,385	11/11/2010
Eastland Mall (OK)	(12)	6.81%	14,759	1,375	3/15/2003 (4)
Eastland Mall – 2		6.57%	5,911	541	3/15/2003 (4)
Forest Mall – 1	(12)	6.57%	12,589	1,152	3/15/2003 (4)
Forest Mall – 2	(12)	6.81%	2,706	252	3/15/2003 (4)
Forest Mall – 3		6.57%	2,191	200	3/15/2003 (4)
Forest Plaza	(5)	7.78%	16,088	1,414	10/1/2009
Forest Village Park Mall – 1	(1)	6.57%	20,600	1,353 (2)	3/15/2003 (4)
Forest Village Park Mall – 2	(1)	7.01%	1,250	88 (2)	3/15/2003 (4)
Forum Phase I – Class A-1		7.13%	46,996	3,348 (2)	5/15/2004
Forum Phase I – Class A-2		6.19% (13)	44,386	2,747 (2)	5/15/2004
Forum Phase II – Class A-1		7.13%	43,004	3,064 (2)	5/15/2004
Forum Phase II – Class A-2		6.19% (13)	40,614	2,514 (2)	5/15/2004
Greenwood Park Mall – 1	(9)	7.00%	33,053	3,273	1/1/2009
Greenwood Park Mall – 2	(9)	6.76%	59,946	4,831	1/1/2009
Grove at Lakeland Square, The		8.44%	3,750	317 (2)	5/15/2015
Gulf View Square		8.25%	35,777	3,652	10/1/2006
Highland Lakes Center		3.37% (3)	12,877	434 (2)	3/1/2002
Hutchinson Mall – 1	(12)	8.44%	11,062	1,108	11/1/2002
Hutchinson Mall – 2	(12)	6.81%	4,428	413	9/15/2002
Ingram Park Mall	(41)	6.99%	84,065	6,724	8/11/2011
Jefferson Valley Mall		3.12% (14)	60,000	1,874 (2)	1/11/2004 (4)
Keystone at the Crossing		7.85%	62,163	5,642	7/1/2027
Knoxville Center	(41)	6.99%	63,659	5,092	8/11/2011
Lake View Plaza	(5)	7.78%	21,386	1,880	10/1/2009

Lakeline Mall		7.65%	70,503	6,300	5/1/2007
Lakeline Plaza	(5)	7.78%	23,447	2,061	10/1/2009
Lincoln Crossing	(5)	7.78%	3,239	285	10/1/2009
Longview Mall – 1	(1)	6.57%	22,100	1,452 (2)	3/15/2003 (4)
Longview Mall – 2	(1)	7.01%	5,500	386 (2)	3/15/2003 (4)
Mainland Crossing		3.37% (3)	1,603	54 (2)	3/31/2002
Markland Mall	(12)	6.57%	9,835	900	3/15/2003 (4)
Matteson Plaza	(5)	7.78%	9,418	828	10/1/2009
McCain Mall – 1	(6)	9.38%	24,715	2,721	5/1/2007
McCain Mall – 2	(6)	6.76%	17,385	1,402	5/1/2007
Melbourne Square		7.42%	37,816	3,374	2/1/2005
Miami International Mall		6.91%	44,669	3,758	12/21/2003
Midland Park Mall – 1	(12)	6.57%	22,129	2,024	3/15/2003 (4)
Midland Park Mall – 2	(12)	6.81%	5,412	504	3/15/2003 (4)
Midland Park Mall – 3		6.57%	11,267	1,031	3/15/2003 (4)
Muncie Plaza	(5)	7.78%	8,142	716	10/1/2009
Net Lease (Chattanooga)		6.80%	133	274	5/31/2002
North East Mall		3.25% (15)	149,007	4,841 (2)	5/21/2004 (4)
North Riverside Park Plaza – 1		9.38%	3,711	452	9/1/2002
North Riverside Park Plaza – 2		10.00%	3,330	420	9/1/2002
North Towne Square	(12)	6.57%	23,113	2,114	3/15/2003 (4)
Northlake Mall	(41)	6.99%	73,438	1,958	8/11/2011
Paddock Mall		8.25%	28,455	2,905	10/1/2006

Palm Beach Mall		7.50%	47,058	4,803	12/15/2002
Port Charlotte Town Center		7.98%	53,250	4,249 (2)	12/11/2010
Raleigh Springs Mall		3.52% (20)	11,000	388 (2)	2/23/2003
Randall Park Mall – 1	(47)	8.35% (24)	35,000	2,923 (2)	12/11/2001 (4)
Randall Park Mall – 2	(47)	6.87% (26)	5,000	344 (2)	12/11/2001 (4)
Regency Plaza	(5)	7.78%	4,414	388	10/1/2009
Richmond Towne Square		2.87% (11)	58,646	1,685 (2)	7/15/2003 (4)
Riverway		3.02% (27)	110,000	3,326 (2)	10/1/2006 (4)
Shops @ Mission Viejo		2.92% (17)	148,073	4,329 (2)	8/31/2003 (4)
South Park Mall – 1	(1)	7.25%	18,857	1,712	6/15/2003
South Park Mall – 2	(1)	7.25%	4,715	429	6/15/2003
South Park Mall – 3	(1)	7.01%	2,000	140 (2)	9/15/2002
St. Charles Towne Plaza	(5)	7.78%	28,254	2,483	10/1/2009
Sunland Park Mall	(18)	8.63%	38,258	3,773	1/1/2026
Tacoma Mall		7.00%	134,778	10,770	9/28/2011
Terrace at Florida Mall, The		8.44%	4,688	396 (2)	5/15/2015
Tippecanoe Mall – 1		8.45%	43,740	4,647	1/1/2005
Tippecanoe Mall – 2		6.81%	15,474	1,253	1/1/2005
Towne East Square – 1	(9)	7.00%	52,176	5,167	1/1/2009
Towne East Square – 2	(9)	6.81%	24,178	1,958	1/1/2009
Towne West Square	(41)	6.99%	55,028	4,402	8/11/2011
Treasure Coast Square – 1		7.42%	50,657	4,714	1/1/2006
Treasure Coast Square – 2		8.06%	11,784	1,063	1/1/2006
Trolley Square		9.03%	29,522	2,880	8/1/2010
University Park Mall		7.43%	59,500	4,421 (2)	10/1/2007
Valle Vista Mall – 1	(6)	9.38%	32,734	3,604	5/1/2007
Valle Vista Mall – 2	(6)	6.81%	7,729	626	5/1/2007
Waterford Lakes		3.27% (19)	66,689	2,183 (2)	8/16/2002
West Ridge Plaza	(5)	7.78%	5,690	500	10/1/2009
White Oaks Mall		3.37% (3)	16,500	557 (2)	3/1/2002
White Oaks Plaza	(5)	7.78%	17,365	1,526	10/1/2009

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Windsor Park Mall – 1	(47)	8.00%	3,598	288	3/1/2001
Windsor Park Mall – 2	(47)	8.00%	8,581	686	5/1/2012
Total Combined Consolidated Secured Indebtedness			\$ 3,344,093		

Unsecured Indebtedness:

Simon Property Group, LP:					
Medium Term Notes – 1		7.13%	100,000	7,125 (21)	6/24/2005
Medium Term Notes – 2		7.13%	180,000	12,825 (21)	9/20/2007
Putable Asset Trust Securities		6.75% (49)	100,000	6,750 (21)	11/15/2003
Simon ERE Facility – Swap component		7.75% (34)	28,200	2,186 (2)	7/31/2004 (4)
Simon ERE Facility – Variable component		3.93% (35)	22,002	865 (2)	7/31/2004 (4)
SPG, L.P. Unsecured Term Loan – 1		2.67% (22)	150,000	4,011 (2)	2/28/2002
SPG, L.P. Unsecured Term Loan – 2		2.87% (11)	22,929	659 (2)	3/30/2002
Unsecured Notes – 1		6.88%	250,000	17,188 (21)	11/15/2006
Unsecured Notes – 2A		6.75%	100,000	6,750 (21)	7/15/2004
Unsecured Notes – 2B		7.00%	150,000	10,500 (21)	7/15/2009
Unsecured Notes – 3		6.88%	150,000	10,313 (21)	10/27/2005
Unsecured Notes – 4A		6.63%	375,000	24,844 (21)	6/15/2003
Unsecured Notes – 4B		6.75%	300,000	20,250 (21)	6/15/2005
Unsecured Notes – 4C		7.38%	200,000	14,750 (21)	6/15/2018
Unsecured Notes – 5A		6.75%	300,000	20,250 (21)	2/9/2004
Unsecured Notes – 5B		7.13%	300,000	21,375 (21)	2/9/2009
Unsecured Notes – 6A		7.38%	300,000	22,125 (21)	1/20/2006
Unsecured Notes – 6B		7.75%	200,000	15,500 (21)	1/20/2011
Unsecured Notes – 7		6.38%	750,000	47,813 (21)	11/15/2007
SPG, L.P. Unsecured Term Loan – 3		2.67% (22)	65,000	1,738 (21)	3/15/2004 (4)
Unsecured Revolving Credit Facility		2.52% (23)	188,000	4,745 (2)	8/25/2003 (4)
Mandatory Par Put Remarketed Securities		7.00% (25)	200,000	14,000 (21)	6/15/2008
			4,431,131		
Shopping Center Associates:					
Unsecured Notes – SCA 1		6.75%	150,000	10,125 (21)	1/15/2004
Unsecured Notes – SCA 2		7.63%	110,000	8,388 (21)	5/15/2005
			260,000		
The Retail Property Trust:					
Unsecured Notes – CPI 1		9.00%	250,000	22,500 (21)	3/15/2002
Unsecured Notes – CPI 2		7.05%	100,000	7,050 (21)	4/1/2003
Unsecured Notes – CPI 3		7.75%	150,000	11,625 (21)	8/15/2004
Unsecured Notes – CPI 4		7.18%	75,000	5,385 (21)	9/1/2013
Unsecured Notes – CPI 5		7.88%	250,000	19,688 (21)	3/15/2016
			825,000		
Total Combined Consolidated Unsecured Indebtedness			\$ 5,516,131		

Total Combined Consolidated Indebtedness at Face Amounts **\$ 8,860,224**

Fair Value Interest Rate Swaps	\$	(3,735)	(45)
Net Discount on Indebtedness	\$	(15,111)	
Total Combined Consolidated Indebtedness	\$	8,841,378	(40)

Joint Venture Indebtedness:

Apple Blossom Mall	7.99%		40,306	3,607	9/10/2009
Arizona Mills	7.90%		144,736	12,713	10/5/2010
Arundel Mills	3.27% (19)		170,092	5,568 (2)	4/30/2005 (4)

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Atrium at Chestnut Hill	6.89%	48,819	3,880		3/11/2011
Auburn Mall	7.99%	47,187	4,222		9/10/2009
Aventura Mall – A	6.55%	141,000	9,231 (2)		4/6/2008
Aventura Mall – B	6.60%	25,400	1,675 (2)		4/6/2008
Aventura Mall – C	6.89%	33,600	2,314 (2)		4/6/2008
Avenues, The	8.36%	55,229	5,555		5/15/2003
Cape Cod Mall	6.80%	99,311	7,821		3/11/2011
Circle Centre Mall – 1	2.31% (28)	60,000	1,388 (2)		1/31/2004 (4)
Circle Centre Mall – 2	3.37% (29)	7,500	253 (2)		1/31/2004 (4)
CMBS Loan – Fixed Component (IBM)	(30) 7.41%	300,000	22,229 (2)		5/1/2006
CMBS Loan – Fixed Component – 2 (IBM)	(30) 8.13%	57,100	4,643 (2)		5/15/2006
CMBS Loan – Floating Component (IBM)	(30) 2.37%	184,500	4,373 (2)		5/1/2003
CMBS Loan – Floating Component – 2 (IBM)	(30) 2.24%	81,400	1,826 (2)		5/15/2006
Cobblestone Court	7.64% (31)	6,180	472 (2)		1/1/2006
Concord Mills	3.22% (32)	180,717	5,826 (2)		12/2/2003 (4)
Coral Square	8.00%	90,000	7,200 (2)		10/1/2010
Crystal Court	7.64% (31)	3,570	273 (2)		1/1/2006
Crystal Mall	8.66%	46,796	5,384		2/1/2003
Dadeland Mall	2.67% (33)	140,000	3,743 (2)		2/1/2002
Emerald Square Mall – 1	3.17% (10)	129,400	4,350 (2)		4/1/2005 (4)
Emerald Square Mall – 2	4.92% (50)	15,600	524 (2)		4/1/2005 (4)
European Assets – Fixed Components	6.38%	34,120	2,175		12/13/2009
European Assets – Variable Components	5.71% (46)	13,159	751		6/26/2009
Fairfax Court	7.64% (31)	10,320	788 (2)		1/1/2006
Fashion Centre Pentagon Retail	6.63%	166,587	14,221		9/11/2011
Fashion Centre Pentagon Office	3.37% (3)	33,000	13,360 (2)		9/10/2004 (4)
Fashion Valley Mall	6.50%	199,674	15,170		10/11/2008
Florida Mall, The	7.55%	267,827	22,766		11/13/2010
Gaitway Plaza	7.64% (31)	7,350	562 (2)		1/1/2006
Grapevine Mills – 1	6.47%	155,000	10,029 (2)		10/1/2008
Grapevine Mills – 2	8.39%	14,395	1,324		11/5/2008
Great Northeast Plaza	9.04%	17,171	1,744		6/1/2006
Greendale Mall	8.23%	41,416	3,779		11/1/2006
Gwinnett Place – 1	7.54%	38,506	3,412		4/1/2007
Gwinnett Place – 2	7.25%	84,425	7,070		4/1/2007
Highland Mall	6.83%	70,736	5,571		6/30/2011
Indian River Commons	7.58%	8,309	710		11/1/2004
Indian River Mall	7.58%	46,105	3,941		11/1/2004
Liberty Tree Mall	3.37% (3)	45,981	2,382		10/1/2003 (4)
Mall at Rockingham	7.88%	98,906	8,705		8/1/2007
Mall of America	2.41% (36)	312,000	7,446 (2)		3/10/2005 (4)
Mall of Georgia	7.09%	200,000	14,180 (2)		7/1/2010
Mall of Georgia Crossing	7.25%	34,133	2,825		6/9/2006
Mall of New Hampshire – 1	6.96%	102,751	8,345		10/1/2008
Mall of New Hampshire – 2	8.53%	8,371	786		10/1/2008
Mayflower Realty Credit Facility	4.12% (48)	0	0 (2)		7/12/2003 (4)
Metrocenter	8.45%	29,876	3,031		2/28/2008
Montreal Forum	4.00% (37)	34,669	1,387 (2)		1/31/2002
Northfield Square	4.37% (42)	37,000	1,618 (2)		4/30/2005 (4)
Northshore Mall	9.05%	161,000	14,571 (2)		5/14/2004
Ontario Mills – 4	6.00%	3,345	201 (2)		12/28/2009
Ontario Mills – 5	6.75%	140,507	11,286		11/2/2008
Ontario Mills – 6	8.00%	10,429	925		12/5/2008
Orlando Premium Outlets	3.17% (38)	58,453	1,855 (2)		2/12/2004 (4)

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Plaza at Buckland Hills, The	7.64% (31)		17,570	1,342 (2)	1/1/2006
Ridgewood Court	7.64% (31)		8,090	618 (2)	1/1/2006
Royal Eagle Plaza	7.64% (31)		7,920	605 (2)	1/1/2006
Seminole Towne Center	4.37% (43)		70,500	3,083 (2)	7/1/2005 (4)
Shops at Sunset Place, The	3.02% (39)		113,829	3,442 (2)	6/30/2002
Smith Haven Mall	7.86%		115,000	9,039 (2)	6/1/2006
Solomon Pond	7.83%		94,034	8,564	2/1/2004
Source, The	6.65%		124,000	8,246 (2)	11/6/2008
Square One	8.40%		103,114	10,139	7/1/2002 (4)
Town Center at Cobb – 1	7.54%		49,059	4,347	4/1/2007
Town Center at Cobb – 2	7.25%		64,250	5,381	4/1/2007
Village Park Plaza	7.64% (31)		8,960	685 (2)	1/1/2006
West Town Corners	7.64% (31)		10,330	789 (2)	1/1/2006
West Town Mall	6.90%		76,000	5,244 (2)	5/1/2008
Westchester, The – 1	8.74%		148,058	14,478	9/1/2005

Westchester, The – 2	7.20%	52,504	4,399	9/1/2005
Westland Park Plaza	7.64% (31)	4,950	378 (2)	1/1/2006
Willow Knolls Court	7.64% (31)	6,490	496 (2)	1/1/2006
Yards Plaza, The	7.64% (31)	8,270	632 (2)	1/1/2006

Total Joint Venture Indebtedness at Face Amounts	\$	5,676,892
Net Premium on Indebtedness	\$	12,496
Total Joint Venture Indebtedness	\$	5,689,388 (44)

(Footnotes on following page)

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(Footnotes for preceding pages)

- (1) Loans secured by these four Properties are cross-collateralized and cross-defaulted.
(2) Requires monthly payment of interest only.
(3) LIBOR + 1.300%.
(4) Includes applicable extension available at the SPG Operating Partnership's option.
(5) Loans secured by these eleven Properties are cross-collateralized and cross-defaulted.
(6) Loans secured by these three Properties are cross-collateralized and cross-defaulted.
(7) Secured by cross-collateralized and cross-defaulted mortgages encumbering seven of the Properties (Bay Park Square, Boardman Plaza, Cheltenham Square, De Soto Square, Upper Valley Mall, Washington Square, and West Ridge Mall).
(8) LIBOR + 0.405%, through an interest rate protection agreement is effectively fixed at an all-in-one rate of 6.200%.
(9) Loans secured by these three Properties are cross-collateralized and cross-defaulted.
(10) LIBOR + 1.300% with LIBOR capped at 7.700%.
(11) LIBOR + 1.000%.
(12) Loans secured by these six Properties are cross-collateralized and cross-defaulted.
(13) LIBOR + 0.300%, through an interest rate protection agreement is effectively fixed at an all-in-one rate of 6.190%.
(14) LIBOR + 1.250%.
(15) LIBOR + 1.375%.
(16) LIBOR + 2.750%, with LIBOR capped at 6.500%.
(17) Lender also participates in a percentage of certain gross receipts above a specified base.
(18) LIBOR + 1.400%.
(19) LIBOR + 1.650%.
(20) Requires semi-annual payments of interest only.
(21) LIBOR + 0.800%.
(22) \$1,250,000 unsecured revolving credit facility. Currently, bears interest at LIBOR + 0.650% and provides for different pricing based upon the SPG Operating Partnership's investment grade rating. Two interest rate caps currently limit LIBOR on \$90,000 and \$50,000 of this indebtedness to 11.530% and 16.770%, respectively. As of 12/31/2001, \$1,057,519 was available after outstanding borrowings and letters of credit.
(24) LIBOR + 3.100%.
(25) The MOPERS have an actual maturity of June 15, 2028, but are subject to mandatory tender on June 15, 2008.
(26) LIBOR + 5.000%.
(27) LIBOR + 1.150% capped at 8.100%.
(28) LIBOR + 0.440%, with LIBOR capped at 8.910% through maturity.
(29) LIBOR + 1.500%, with LIBOR capped at 7.500% through maturity.
(30) These Commercial Mortgage Notes are secured by cross-collateralized mortgages encumbering thirteen Properties (Eastland Mall, Empire East, Empire Mall, Granite Run Mall, Mesa Mall, Lake Square, Lindale Mall, Northpark Mall, Southern Hills Mall, Southpark Mall, Southridge Mall, Rushmore Mall, and Valley Mall). A weighted average rate is used for each component. The floating components have interest protection agreements which caps LIBOR at 11.670% and 11.830% respectively.
(31) Loans secured by these twelve Properties are cross-collateralized and cross-defaulted.
(32) LIBOR + 1.250%, with LIBOR capped at 8.450%.
(33) EURIBOR + 0.600%, EURIBOR swapped to effectively fix all-in-rate at 7.75%.
(34) EURIBOR + 0.600%.
(35) LIBOR + 0.5128%, with LIBOR capped at 8.7157%.
(36) Canadian Prime.
(37) LIBOR + 1.400%, rate may be reduced based upon project performance.
(38) LIBOR + 1.150%.
(39) Includes minority interest partners' share of consolidated indebtedness of \$156,967.
(40) Loans secured by these four Properties are cross-collateralized and cross-defaulted.
(41) LIBOR + 2.500% capped at 11.000%.
(42) LIBOR + 2.500% capped at 8.000%.
(43) Includes outside partners' share of joint venture indebtedness of \$3,296,867.
(44) Represents the fair market value swaps entered into by the SPG Operating Partnership, pursuant to FAS 133.
(45) EURIBOR + 2.3795%.
(46) We are currently in negotiations with the properties' lenders to dispose of these properties in 2002.
(47) LIBOR + 2.2500%.
(48) The Puttable Asset Trust Securities have an actual maturity of November 15, 2010, but are subject to mandatory tender on November 15, 2003.
(49) LIBOR + 3.050%, with LIBOR capped at 7.950%.

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Item 3. Legal Proceedings

Please refer to Note 11 of the attached audited financial statements for a summary of material litigation.

We are also subject to routine litigation, claims and administrative proceedings arising in the ordinary course of its business, none of which are expected to have a material adverse effect on its financial position or results of operations.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Part II

Item 5. Market for the Registrant and Related Unitholder Matters

Market Information

There is no established public trading market for the SPG Operating Partnership's Units or preferred Units. The following table sets forth for the periods indicated, the distributions declared on the Units:

		<i>Declared Distribution</i>
2001		
1 st Quarter	\$	0.5050
2 nd Quarter	\$	0.5250
3 rd Quarter	\$	0.5250
4 th Quarter	\$	0.5250
2000		
1 st Quarter	\$	0.5050
2 nd Quarter	\$	0.5050

3rd Quarter
4th Quarter

\$ 0.5050
\$ 0.5050

Holders

The number of holders of Units was 2,455 as of March 20, 2002.

Distributions

We make distributions to SPG in order to maintain SPG's REIT status under the Code. To maintain its status as a REIT, SPG is required each year to distribute to its shareholders at least 90% of its taxable income after certain adjustments. Future distributions are determined in the discretion of the Boards of Directors and will depend on our actual cash flow, financial condition, capital requirements, the annual REIT distribution requirements and such other factors as the Board of Directors of the Companies deem relevant.

Unregistered Sales of Equity Securities

The SPG Operating Partnership did not issue any equity securities that were not required to be registered under the Securities Act of 1933, as amended during the fourth quarter of 2001.

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Item 6. Selected Financial Data

The following tables set forth selected financial data for the SPG Operating Partnership. The financial data should be read in conjunction with the financial statements and notes thereto and with Management's Discussion and Analysis of Financial Condition and Results of Operations. Other data we believe is important in understanding trends in the SPG Operating Partnership's business is also included in the tables.

	As of or for the Year Ended December 31,				
	2001	2000(1)	1999(1)	1998(1)	1997
(in thousands, except per share data)					
OPERATING DATA:					
Total revenue	\$ 2,033,310	\$ 2,000,711	\$ 1,880,235	\$ 1,400,189	\$ 1,054,167
Income before unusual item, extraordinary items, and cumulative effect of accounting change	281,033	353,358	309,843	233,256	203,133
Net income available for Unitholders	\$ 202,051	\$ 262,988	\$ 221,815	\$ 198,931	\$ 173,943
BASIC EARNINGS PER UNIT:					
Income before extraordinary items and cumulative effect of accounting change	\$ 0.87	\$ 1.16	\$ 0.98	\$ 1.01	\$ 1.08
Extraordinary items	—	—	(0.03)	0.04	—
Cumulative effect of accounting change	(0.01)	(0.05)	—	—	—
Net income	\$ 0.86	\$ 1.11	\$ 0.95	\$ 1.05	\$ 1.08
Weighted average Units outstanding	235,750	236,536	232,569	189,082	161,023
DILUTED EARNINGS PER UNIT:					
Income before extraordinary items	\$ 0.87	\$ 1.16	\$ 0.98	\$ 1.01	\$ 1.08
Extraordinary items	—	—	(0.03)	0.04	—
Cumulative effect of accounting change	(0.01)	(0.05)	—	—	—
Net income	\$ 0.86	\$ 1.11	\$ 0.95	\$ 1.05	\$ 1.08
Diluted weighted average Units outstanding	236,109	236,635	232,706	189,440	161,407
Distributions per Unit (2)	\$ 2.08	\$ 2.02	\$ 2.02	\$ 2.02	\$ 2.01
BALANCE SHEET DATA:					
Cash and cash equivalents	\$ 252,172	\$ 209,755	\$ 153,743	\$ 124,466	\$ 109,699
Total assets	13,644,246	13,758,826	14,046,727	13,112,916	7,662,667
Mortgages and other indebtedness	8,841,378	8,728,582	8,768,841	7,972,381	5,077,990
Partners' equity	\$ 4,023,426	\$ 4,302,401	\$ 4,553,237	\$ 4,587,801	\$ 2,251,299
OTHER DATA:					
Cash flow provided by (used in):					
Operating activities	\$ 796,963	\$ 700,576	\$ 619,850	\$ 543,663	\$ 370,907
Investing activities	(270,207)	(87,670)	(595,460)	(2,099,009)	(1,243,804)
Financing activities	(484,339)	(556,894)	4,887	1,570,113	918,287
Ratio of Earnings to Fixed Charges (3)	1.47x	1.53x	1.50x	1.56x	1.68x

Notes

- (1) Notes 3 and 4 to the accompanying financial statements describe the NED Acquisition and other 2000 and 1999 real estate acquisitions, development and disposals. On September 24, 1998, we merged with Corporate Property Investors, Inc. ("CPI Merger").
- (2) Represents distributions declared per period. The current annual distribution rate is \$2.10 per Unit.
- (3) In 2001, includes a \$47,000 impairment charge (see Note 4 to the accompanying financial statements in Part IV of this Form 10-K). Excluding this charge the ratio would have been 1.54 in 2001. In 1999, includes a \$12,000 unusual loss (see Note 11 to the accompanying financial statements) and a total of \$12,290 of asset write-downs. Excluding these items, the ratio would have been 1.53x in 1999.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion in conjunction with the financial statements and notes thereto that are included in this Form 10-K. Certain statements made in this report may be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained, and it is possible that our actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks and uncertainties. Those risks and uncertainties include, but are not limited to: national, regional and local economic climates, competitive market forces, changes in market rental rates, trends in the retail industry, the inability to collect rent due to the bankruptcy or insolvency of tenants or otherwise, the impact of terrorist activities, environmental liabilities, maintenance of REIT status, and changes in market rates of interest. We undertake no duty or obligation to update or revise these forward-looking statements, whether as a result of new information, future developments, or otherwise.

Overview

Who we are - Simon Property Group, L.P. (the "SPG Operating Partnership"), a Delaware limited partnership, is a majority owned subsidiary of Simon Property Group, Inc. ("SPG"), a Delaware corporation. SPG is a self-administered and self-managed real estate investment trust ("REIT"). Each share of common stock of SPG is paired ("Paired Shares") with 1/100th of a share of common stock of SPG Realty Consultants, Inc. ("SRC" and together with SPG, the "Companies"). Units of partnership interests ("Units") in the SPG Operating Partnership are paired ("Paired Units") with Units in SPG Realty Consultants, L.P. (the "SRC Operating Partnership" and together with the SPG Operating Partnership, the "Operating Partnerships"). The SRC Operating Partnership is the primary subsidiary of SRC. In this report, the terms "we", "us" and "our" refer to the SPG Operating Partnership and its subsidiaries.

We are engaged primarily in the ownership, operation, leasing, management, acquisition, expansion and development of real estate properties. Our real estate properties consist primarily of regional malls and community shopping centers. As of December 31, 2001, we owned or held an interest in 251 income-producing properties in the United States, which consisted of 165 regional malls, 72 community shopping centers, five specialty retail centers, four office and mixed-use properties and five value-oriented super-regional malls in 36 states (the "Properties"). We also own 11 parcels of land held for future development (together with the Properties, the "Portfolio" or the "Portfolio Properties"). In addition, we have ownership interests in seven additional retail real estate properties operating in Europe and Canada. Our leases from retail tenants generate the majority of our revenues through:

- Base minimum rents and cart and kiosk rentals
- Overage and percentage rents based on tenants' sales volume
- Recoveries of common area maintenance, real estate tax, and advertising and promotion expenditures.

We also generate revenues due to our size and tenant relationships from:

- Mall marketing initiatives
- Consumer focused strategic corporate alliances
- Delivering competitively priced property operating services to our tenants.

We also hold substantially all of the economic interest in M.S. Management Associates, Inc. (the "Management Company"). See Note 7 in the Notes to Financial Statements for a description of the activities of the Management Company.

Results of Operations

The year 2001 was marked by the onset of the country's first recession in over ten years and the unprecedented, tragic events of September 11, 2001. In addition, the retail industry experienced a significant restructuring of the theater industry and an increase in tenant bankruptcies. During 2001 tenant bankruptcies resulted in the loss of over 1.2 million square feet of regional mall shop space. Despite these challenges our Portfolio demonstrated its resiliency with steady sales per square foot of \$378 for regional malls in 2001 compared to \$377 in 2000. Despite the losses to bankruptcies, occupancy levels were up slightly in 2001 to 91.9% for regional malls compared to 91.8% in 2000. Our releasing spreads also remained strong with new regional mall store leases signed at \$34.88 average initial base rents per square foot in 2001 as compared to average base rents of \$29.10 per square foot for regional mall store leases terminating or expiring in the same year, a spread of \$5.78, or 20%.

The following property acquisitions and openings impacted our results of operations in the comparative periods. During 2001 the SPG Operating Partnership acquired the ownership of Simon Brand Ventures, LLC ("SBV") from SRC. We also opened Bowie Towne Center in October 2001 and we sold interests in several Properties throughout the comparative periods (collectively the "Property Transactions"). In addition, we opened Orlando Premium Outlets in May 2000, Arundel Mills in November 2000, Montreal Forum in May 2001, and in October 2001 we acquired a 50% ownership interest in Fashion Valley Mall. See "Liquidity and Capital Resources" and Note 4 to the financial statements for additional information about acquisitions, openings and disposals during the comparative period. The following discussion of the changes in operating income excludes the Property Transactions.

Year Ended December 31, 2001 vs. Year Ended December 31, 2000

Our change in operating income was impacted by positive trends in 2001 including a \$38.0 million increase in minimum rents, excluding our Simon Brand Venture ("SBV") and Simon Business Network ("SBN") initiatives. The increase in minimum rent primarily results from steady occupancy levels and the replacement of expiring tenant leases with renewal leases at higher minimum base rents. Revenues from temporary tenant rentals increased \$5.6 million reflecting our continual effort to maximize the profitability of our mall space. Miscellaneous income increased \$7.9 million. This increase includes \$5.7 million in fees associated with the Kimsward transaction charged to the Management Company, a \$5.6 million contract termination payment offset by a decrease in various miscellaneous income items in the prior year. The Kimsward transaction is described in Note 12 in the Notes to Financial Statements. The change in operating income includes the net positive impact of the Property Transactions of \$3.7 million.

These positive trends realized in operating income were offset by an impairment charge of \$47.0 million we recorded in 2001 to adjust assets to their estimated fair value in connection with our anticipated disposal of nine properties. In 2000, we recorded a \$10.6 million impairment charge on two properties as the contract prices for the sales of these properties as of December 31, 2000 were less than our carrying amounts. We closed the sale of these properties in 2001. We recognized a non-recurring \$3.0 million write-down of an investment in 2001 and we wrote-off \$2.7 million of miscellaneous technology investments in 2001 both included in other expenses. Depreciation and amortization increased \$36.3 million primarily due to an increase in depreciable real estate resulting from renovation and expansion activities, as well as increased tenant cost amortization. Tenant reimbursement revenues, net of reimbursable expenses decreased \$18.0 million. This decrease is primarily the result of true-up billings and decreases in recovery ratios. Overage rents decreased \$7.8 million resulting from flat sales levels. The sale of outlot land parcels declined in 2001 resulting in a \$12.9 million decrease in revenues. Interest income decreased \$5.5 million during 2001 due to the lower interest rate environment. Revenues from our SBV and SBN initiatives decreased \$3.3 million.

Interest expense during 2001 decreased \$29.8 million, or 4.7% compared to the same period in 2000. This decrease is primarily due to lower interest rates during 2001 and reductions in the corporate

credit facilities offset by the issuance of \$500.0 million of unsecured notes on January 11, 2001 and \$750.0 million in unsecured notes on October 26, 2001.

Income from unconsolidated entities decreased \$19.7 million in 2001, resulting from a \$9.8 million increase in income from unconsolidated partnerships and joint ventures, and a \$29.5 million decrease in income from the Management Company. The increase in joint venture income related to: lower interest rates; a reduction in real estate taxes due to a real

estate tax settlement at one Property; the acquisition of Fashion Valley Mall in 2001; and the full year impact of two Properties that opened in 2000. Included in the Management Company decrease is our net \$13.9 million share of the write-off of technology investments, primarily clixmortar. In addition, the Management Company realized a \$3.7 million decrease in various fee revenues, a \$3.2 million decrease in land sales, and a \$4.3 million increase in overhead expenses. These amounts were partially offset by \$12.6 million of income from the Kimsward transaction net of the \$5.7 million fee charged by the SPG Operating Partnership. In addition, our share of the increased losses associated with MerchantWired LLC was \$14.0 million. We use joint ventures to finance certain properties and to diversify our risk in a particular trade area. These joint ventures are described further in Note 7 to the Notes to Financial Statements. Note 7 also includes combined balance sheets and results of operations for our unconsolidated entities and Item 2 of our Form 10-K lists the Portfolio Properties and our corresponding legal interests.

During 2001 we recorded a \$1.7 million expense as a cumulative effect of an accounting change, which includes our \$1.5 million share from unconsolidated entities, due to the adoption of SFAS 133 "Accounting for Derivative Instruments and Hedging Activities," as amended. During 2000 we recorded a \$12.3 million expense as a cumulative effect of an accounting change, which includes our \$1.8 million share from unconsolidated entities, due to the adoption of Staff Accounting Bulletin No. 101 ("SAB 101"). SAB 101 addressed certain revenue recognition policies, including the accounting for overage rent by a landlord. See Note 13 in the Notes to Financial Statements for discussions of the cumulative effect of accounting changes.

The \$2.6 million net gain on the sales of assets in 2001 resulted from the sale of our interests in one regional mall, one community center, and an office building for a gross sales price of approximately \$20.3 million. In 2000, we recognized a net gain of \$19.7 million on the sale of two regional malls, four community centers, and one office building for a gross sales price of approximately \$142.6 million.

Net income was \$279.5 million for the year ended December 31, 2001, which reflects a \$60.9 million or 17.9% decrease compared to the same period in 2000, primarily for the reasons discussed above. Net income was allocated to the partners of the SPG Operating Partnership based on their preferred Unit preferences and weighted average ownership interests in the SPG Operating Partnerships during the period.

Preferred distributions of the SPG Operating Partnership represent distributions on preferred Units.

Impairment

As previously mentioned, in connection with our anticipated disposal of nine Properties we recorded a \$47.0 million expense for the impairment of certain investment Properties for the year ended December 31, 2001. In general, economic and demographic changes has caused tenants to vacate space at certain lower quality properties, decreasing occupancy rates and leading to declines in the fair values of these assets due to significantly decreased profitability and cash flows from these Properties. In addition, we have committed to a plan to dispose of these assets in 2002. The impairment of these assets was calculated using a combination of cap rate analysis and discounted cash flows from the individual Properties' operations as well as contract prices, if applicable. These nine Properties' cash flows and results of operations were not material to our cash flows and results of operations and their removal from service and sale will not materially affect our ongoing operations.

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Year Ended December 31, 2000 vs. Year Ended December 31, 1999

Operating income increased \$44.7 million or 5.2% in 2000 as compared to 1999. This increase includes the net result of the Property Transactions (\$10.8 million). Excluding these transactions, operating income increased approximately \$33.9 million or 4.0%, primarily resulting from a \$53.6 million increase in minimum rents, a \$14.2 million increase in consolidated revenues realized from marketing initiatives throughout the Portfolio from our strategic marketing division, Simon Brand Ventures ("SBV"), a \$3.8 million increase in miscellaneous income, a \$4.8 million increase in interest income, and an \$8.6 million increase in lease settlements, partially offset by a \$31.8 million increase in depreciation and amortization, a \$2.5 million increase in cost sharing expense, and a \$4.7 million increase in other expenses, and a \$10.6 million impairment charge. The increase in minimum rent primarily results from increased occupancy levels, the replacement of expiring tenant leases with renewal leases at higher minimum base rents, and a \$5.1 million increase in rents from tenants operating under license agreements. The increase in miscellaneous income results from gift certificate sales previously recorded on the Management Company and incidental fee revenues. The increase in depreciation and amortization is primarily due to an increase in depreciable real estate realized through renovation and expansion activities. We recorded a \$10.6 million impairment charge in connection with our anticipated disposal of two properties as the contract prices for the sale of these properties as of December 31, 2000 were less than our carrying amounts.

Interest expense increased \$57.5 million, or 9.9% in 2000 as compared to 1999. This increase is primarily the result of overall increases in interest rates during the comparative periods (\$20.6 million), the Property Transactions (\$8.2 million) and incremental interest on borrowings under our Credit Facility to complete the NED Acquisition (\$12.4 million) and acquire an ownership interest in Mall of America (\$3.8 million), with the remainder being primarily from borrowings for Property redevelopments that opened in the comparative periods.

The \$19.7 million net gain on the sales of assets in 2000 results from the sale of our interests in an office building, two regional malls and four community shopping centers for approximately \$142.6 million. In 1999, we recognized a net loss of \$1.9 million on the sale of two Properties.

Income from unconsolidated entities increased \$34.7 million in 2000, resulting from a \$22.0 million increase in income from the Management Company and a \$12.7 million increase in income from unconsolidated partnerships and joint ventures. The increase in Management Company income is primarily the result of a \$6.7 million increase in management fees due to property acquisitions and increased minimum rents, \$7.3 million of asset write-downs recognized in 1999, \$4.6 million in 2000 residual land sales, as well as a \$5.3 million increase in the income tax benefit, which is primarily due to the reversal of valuation allowances due to 2000 income and forecasted future income. These increases are offset by our share of the \$4.1 million of losses associated with MerchantWired LLC. Income from unconsolidated partnerships and joint ventures included a \$5.0 million asset impairment write-down in 1999 related to The Tower Shops.

During the first quarter of 2000, we recorded a \$12.3 million expense resulting from the cumulative effect of an accounting change described above.

Net income was \$340.4 million for the year ended December 31, 2000, which reflects a \$49.3 million or 16.9% increase over 1999, primarily for the reasons discussed above, and was allocated to the Unitholders of the SPG Operating Partnership based upon their preferred Unit preferences and weighted average ownership interests in the SPG Operating Partnership during the period.

Preferred distributions of the SPG Operating Partnership represent distributions on preferred Units issued.

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Significant Accounting Policies

Our significant accounting policies are described in detail in Note 5 of the Notes to Financial Statements. The following briefly describes those accounting policies that we feel are most critical to understanding our business for our Unitholders:

- Minimum rent revenues are accrued on a straight-line basis over the term of the respective leases. Reimbursements from tenants for recoverable real estate tax and operating expenses are accrued as revenue in the period the applicable expenditures are incurred.
- In order to maintain SPG's status as a REIT, we make distributions so that SPG can distribute 90% of its taxable income in any given year. SPG must also meet certain asset and income tests, as well as other requirements. We monitor our business and transactions that may potentially impact SPG's REIT status. If SPG fails to maintain its REIT status then SPG would be required to pay federal income taxes at regular corporate income tax rates.

- The purchase price for an acquisition of properties is allocated to each investment property or joint venture based upon the estimated fair value of each property. The fair value is calculated based upon the estimated annual cash flow of each property.
- Income from joint ventures is recognized under the equity method of accounting based upon our economic ownership in the joint venture properties after considering partner preferences.

Liquidity and Capital Resources

Our balance of unrestricted cash and cash equivalents was \$252.2 million as of December 31, 2001, including \$141.5 million related to our gift certificate program, which we do not consider available for general working capital purposes. We have a \$1.25 billion unsecured revolving credit facility (the "Credit Facility") which had available credit of \$1.1 billion at December 31, 2001. The Credit Facility bears interest at LIBOR plus 65 basis points and provides for different pricing based upon our corporate credit rating. The Credit Facility has an initial maturity of August 2002, with an additional one-year extension available at our option. SPG and the SPG Operating Partnership also have access to public equity and debt markets. Our current corporate ratings are Baa1 by Moody's Investors Service and Bbb+ by Standard & Poor's.

We anticipate that cash generated from operating performance will provide the funds we need on a short- and long-term basis for operating expenses, interest expense on outstanding indebtedness, recurring capital expenditures, and distributions to Unitholders so that SPG can comply with REIT requirements. Sources of capital for nonrecurring capital expenditures, such as major building renovations and expansions, as well as for scheduled principal payments, including balloon payments, on outstanding indebtedness are expected to be obtained from:

- excess cash generated from operating performance
- working capital reserves
- additional debt financing
- additional equity raised in the public markets.

These sources may be negatively impacted by the bankruptcy of tenants, declines in occupancy at our malls, or the inability to refinance properties due to lack of terrorism insurance coverage. However, we expect to be able to successfully replace any departing tenants and do not currently anticipate any hindrances in refinancing activities due to lack of terrorism insurance coverage.

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Financing and Debt

The following table summarizes the material aspects of our future obligations:

	2002	2003-2004	2005-2007	After 2007	Total
Long Term Debt					
Consolidated (1)	\$ 657,377	\$ 2,798,260	\$ 2,907,306	\$ 2,339,663	\$ 8,702,606
Joint Ventures (1)	186,892	455,683	830,331	913,360	2,386,266
Total Long Term Debt	844,269	3,253,943	3,737,637	3,253,023	11,088,872
Ground Lease commitments	7,317	14,011	20,695	468,900	510,923
Total	\$ 851,586	\$ 3,267,954	\$ 3,758,332	\$ 3,721,923	\$ 11,599,795

(1) Represents our pro rata share of principal maturities and excludes net premiums and discounts.

The debt of our joint ventures is the liability of the joint venture partnerships and is typically secured by the joint venture property. We guarantee and therefore are only contractually obligated to fund \$82.8 million of the total \$2.4 billion of joint venture debt. In addition, we have guaranteed other obligations totaling approximately \$29.7 million on certain unconsolidated entities.

We had consolidated debt of \$8.8 billion as of December 31, 2001, of which \$7.4 billion was fixed-rate debt, bearing interest at a weighted average rate of 7.2% and \$1.4 billion was variable-rate debt bearing interest at a weighted average rate of 3.5%. As of December 31, 2001, we had interest rate protection agreements related to \$758.6 million of consolidated variable-rate debt. Our interest rate protection agreements did not materially impact interest expense or weighted average borrowing rates in 2001. Our ratio of consolidated debt-to-market capitalization was 52.6% and 57.0% at December 31, 2001 and 2000, respectively.

The following summarizes significant financing and refinancing transactions completed in 2001:

Secured Indebtedness. During 2001, we refinanced approximately \$401.7 million of mortgage indebtedness on five of the Properties. Our share of the refinanced debt is approximately \$275.3 million. The weighted average maturity of the new indebtedness is 7.8 years and the weighted average interest rates decreased from approximately 6.82% to 6.20%.

Credit Facility. During 2001 the maximum amount outstanding under our Credit Facility was \$863.0 million and the average amount outstanding under the Credit Facility was \$581.5 million. The weighted average interest rate was 4.94% for 2001.

Unsecured Notes. We again demonstrated our ability to regularly access the unsecured debt market in 2001. On January 11, 2001, we issued \$500.0 million of unsecured debt to institutional investors pursuant to Rule 144A in two tranches. The first tranche is \$300.0 million bearing an interest rate of 7³/₈% due January 20, 2006 and the second tranche is \$200.0 million bearing an interest rate of 7³/₄% due January 20, 2011. The net proceeds of the offering were used to repay the remaining portion of the indebtedness under the credit facility we used to fund the 1998 merger with Corporate Property Investors, Inc. ("CPI") due March 24, 2001 and to repay a portion of the CPI merger facility due September 24, 2001.

On August 6, 2001, we retired the third and final tranche of the CPI merger facility totaling \$435.0 million. We generated the funds used to retire this debt primarily from our \$277.0 million financing of four mall properties at a fixed rate of 6.99%, our \$110.0 million financing of one office complex at LIBOR plus 115 basis points, and excess cash flow.

On October 26, 2001, we issued \$750.0 million of 6.375% senior unsecured notes due November 15, 2007. We used the net proceeds from the offering to reduce the outstanding balance of the Credit

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Facility. Ultimately, we plan to retire mortgage indebtedness on six wholly-owned Properties and to retire \$250.0 million of 9% bonds that mature in early 2002 with borrowings from the Credit Facility.

Acquisitions. On October 1, 2001, we purchased a 50% interest in Fashion Valley Mall located in San Diego, California for a purchase price of \$165.0 million which includes our share of a \$200.0 million, seven year mortgage at a fixed rate of 6.5% issued concurrent with the acquisition by the partnership owning the property. We also assumed management responsibilities for this 1.7 million square foot open-air, super-regional mall. On August 20, 2001, the SPG Operating Partnership acquired an additional 21.46% interest in the Fashion Centre at Pentagon City for a total of \$77.5 million. The purchase price consisted of cash and an additional capital contribution to the Property.

Subsequent to December 31, 2001, we signed a definitive agreement to purchase, jointly with Westfield America Trust and The Rouse Company, the assets of Rodamco North America N.V. for \$5.3 billion. Our portion of the acquisition includes the purchase of the remaining ownership interests in four of our existing joint venture assets and new ownership interests in nine additional properties. Our share of the purchase price is \$1.55 billion including \$570.0 million in debt and perpetual preferred stock assumed. The balance will be payable in cash at closing and, initially, will be funded by the existing Credit Facility and an acquisition facility. The purchase price is denominated in Euros.

We continue to review and evaluate a limited number of acquisition opportunities and will continue our focus on acquiring highly productive, market dominant malls. We believe that acquisition activity is a component of our growth strategy and amounts available under the Credit Facility, together with the ability to issue shares of common stock, Units and debt securities, provide adequate means to finance certain acquisitions. We cannot assure you that we will not be required to, or will not elect to, even if not required to, obtain funds from outside sources, including the sale of debt or equity securities, to finance significant acquisitions, if any.

See Note 4 to the financial statements for 2000 and 1999 acquisition activity.

Disposals. During 2001, we sold our interests in one regional mall, one community center, and one office building for a combined gross sales price of \$20.3 million, resulting in a net combined gain of \$2.6 million. The net proceeds of approximately \$19.6 million were used for general working capital purposes.

In addition to the Property sales described above, as a continuing part of our long-term strategic plan, we continue to pursue the sale of our remaining non-retail holdings and a number of retail assets that are no longer aligned with our strategic criteria, including four Properties currently under contract for sale. We may decide to sell Properties that are held for use, in which case the sale prices of these assets may differ from the carrying value of the related assets.

Market Risk - Sensitivity Analysis. Our future earnings, cash flows and fair values relating to financial instruments are dependent upon prevalent market rates of interest, primarily LIBOR. Based upon consolidated indebtedness and interest rates at December 31, 2001, a 0.50% increase in the market rates of interest would decrease future earnings and cash flows by approximately \$6.5 million, and would decrease the fair value of debt by approximately \$537.3 million. A 0.50% decrease in the market rates of interest would increase future earnings and cash flows by approximately \$6.5 million, and would increase the fair value of debt by approximately \$621.8 million. We manage our exposure to interest rate risk by a combination of interest rate protection agreements to effectively fix or cap a portion of our variable rate debt and by refinancing fixed rate debt at times when rates and terms are appropriate.

In connection with the expected acquisition of the assets of Rodamco North America N.V. we entered into a EUR 795.1 million collar transaction to manage our exposure to fluctuations in the Euro currency. This derivative transaction effectively maintains our purchase price between a conversion rate of

.91 Euros and 0.864 Euros. The fluctuation in earnings, if any, from this transaction will be partially offset by changes in our final purchase price. We believe that this transaction is in the best interest of our Unitholders due to the magnitude of our potential exposure. Current hedge accounting explicitly states that the effects of a hedge of a business combination must be reported through earnings and cannot be capitalized as part of the purchase price. Therefore, we expect some volatility in our earnings for the first two quarters of 2002. If the Euro conversion rate at the close of the transaction equals 0.854, then our earnings would be reduced by approximately \$8.7 million, including transaction costs. If the Euro conversion rate at the close of the transaction equals 0.92, then our earnings would be increased by approximately \$7.2 million, net of transaction costs.

Development Activity

We pursue new development as well as strategic expansion and renovation activity when we believe the investment of our capital meets our risk-reward criteria. In response to the weakening economy, we reduced our spending in these areas in 2001 and expect to further reduce our spending in 2002.

New Developments. Development activities are an ongoing part of our business. During 2001, we opened two new Properties aggregating approximately 0.8 million square feet of GLA. In total, our share of new developments for Portfolio Properties in 2001 was approximately \$121.3 million. With no new developments currently under construction, we expect 2002 pre-development costs to be approximately \$10 million.

Strategic Expansions and Renovations. One of our key objectives is to increase the profitability and market share of the Properties through the completion of strategic renovations and expansions. We invested approximately \$118.2 million in redevelopment projects during 2001. We have some renovation and/or expansion projects currently under construction or in preconstruction development and expect to invest approximately \$100 million on redevelopment in 2002.

International. We have a 32.3% ownership interest in European Retail Enterprises, B.V. ("ERE"), which is accounted for using the equity method of accounting. ERE also operates through a wholly-owned subsidiary, Groupe BEG, S.A. ("BEG"). ERE and BEG are fully integrated European retail real estate developers, lessors and managers. Our current total investment in ERE and BEG, including subordinated debt, is approximately \$73.4 million. The current estimated additional commitment, including subordinated debt, is approximately \$27.6 million. However, since our future commitments are subject to certain performance and other criteria, including our approval of development projects, these additional commitments may vary. The agreements with BEG and ERE are structured to allow us to acquire an additional 28.5% ownership interest over time. As of December 31, 2001, BEG and ERE had four Properties open in Poland and two in France. The structure is described further in Note 7 of the Notes to Financial Statements

Technology Initiatives. We continue with our technology initiatives through two investments: MerchantWired LLC and Constellation Real Technologies. Constellation is a consortium of leading real estate companies. Its primary asset is an investment in FacilityPro, a purchasing aggregation company. Our share of the total carrying amount of and receivables from our investments is approximately \$36.4 million as of December 31, 2001 with our investment in and receivables from MerchantWired LLC totaling \$33.7 million. We own an approximately 53% indirect non-controlling interest in MerchantWired LLC. We, along with the other members of MerchantWired LLC, are in the final stages of negotiating a sale of MerchantWired LLC to a third party for cash and contingent consideration. Completing the sale is subject to finalizing the termination or modification of certain third party contracts, the buyer obtaining credit approval from its lenders, and certain regulatory and other matters. As a condition of this transaction, we will also acquire approximately \$24 million of cable and related infrastructure from MerchantWired LLC and will make an \$8 million additional contribution to MerchantWired LLC. These proceeds, along with

proceeds from other members, will be used by MerchantWired LLC to satisfy amounts outstanding under various lease arrangements and trade payables, resulting in the members being relieved of all guarantee arrangements. We expect the transaction to close in April. The amount of contingent consideration due us and the other members will be determined based upon a multiple of annualized December 2003 and December 2004 MerchantWired LLC revenues. If this transaction is not completed, the future of MerchantWired LLC will be impacted unless MerchantWired LLC is able to obtain future capital commitments.

Capital Expenditures on Consolidated Properties

New Developments	\$ 75	\$ 58	\$ 226
Renovations and Expansions	89	193	248
Tenant Allowances	53	65	65
Operational Capital Expenditures	41	49	27
Total	\$ 258	\$ 365	\$ 566

Distributions

We make distributions in order for SPG to maintain its REIT status. We declared a cash distribution of \$0.525 per unit in the fourth quarter of 2001. The current combined annual distribution rate is \$2.10 per Unit. Distributions during 2001 aggregated \$2.08 per Unit and distributions during 2000 aggregated \$2.02 per Unit. Future distributions will be determined based on actual results of operations and cash available for distribution. Our distributions typically exceed our net income generated in any given year primarily because of depreciation, which is a "non-cash" expense. As evidenced by our \$797.0 million of net cash provided by operating activities we are able to distribute the required level of dividends.

Investing and Financing Activities

Cash used in investing activities of \$270.2 million for the year ended December 31, 2001 includes consolidated cash capital expenditures of \$281.6 million, investments in unconsolidated joint ventures of \$147.9 million, and acquisition costs of \$164.3 million. Capital expenditures include development costs of \$68.4 million, renovation and expansion costs of \$123.6 million and tenant costs and other operational capital expenditures of \$89.6 million. These cash uses are partially offset by distributions from unconsolidated entities of \$289.0 million, advances from the Management Company of \$1.4 million, loan activity with SRC of \$5.6 million, cash from the consolidation of the SPG Administrative Services Partnership, L.P. of \$8.1 million and net proceeds of \$19.5 million from the sale of the three Properties previously mentioned.

Cash used in financing activities for the year ended December 31, 2001 was \$484.3 million and includes net distributions of \$592.2 million, offset by proceeds from net borrowings of \$107.9 million.

Retail Climate and Tenant Bankruptcies

A number of local, regional, and national retailers, including both in-line and anchor tenants, announced store closings or filed for bankruptcy in 2001. Some changeover in tenants is normal in our business. We lost over 1.2 million square feet of mall shop tenants in 2001 to bankruptcies. Pressures which affect consumer confidence, job growth, energy costs and income gains, however, can affect retail sales growth and a continuing soft economic cycle may impact our ability to retenant property vacancies resulting from these store closings or bankruptcies.

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The geographical diversity of our Portfolio mitigates some of our risk in the event of an economic downturn. In addition, the diversity of our tenant mix is also a factor because no single retailer represents either more than 2.0% of total GLA or more than 3.5% of our annualized base minimum rent. Bankruptcies and store closings may, in some circumstances, create opportunities for us to release spaces at higher rents to tenants with enhanced sales performance. Our previously demonstrated ability to successfully retenant anchor and in line store locations reflects our resilience to fluctuations in economic cycles. While these factors reflect some of the inherent strengths of our portfolio in a difficult retail environment, successful execution of a releasing strategy is not assured.

Energy Management Services

On September 30, 1999, Simon Property Group, L.P. entered into a multi-year contract with Enron Energy Services ("Enron") for Enron to supply or manage all of the energy commodity requirements for the wholly-owned properties and many of the SPG Operating Partnership's joint venture partnerships. As result of the December bankruptcy filing by Enron, we assumed total control over the management of the energy assets throughout the portfolio, including the purchase and payment of utilities and maintenance and repair of energy related equipment. The majority of these costs and expenses are recoverable from our tenants.

In addition, as part of our original agreement with Enron, we required that it contract with our existing service providers for the maintenance and repair work on our energy assets. This allowed us to convert back to our prior contractual agreements while keeping the same work force and scope of work. There was no service interruption to any of our malls or tenants, and we are once again actively self-managing our energy business, just as we had done prior to the Enron contract. Enron has not formally rejected our contract yet, although we expect that to occur. We do not anticipate adverse financial consequences from the Enron bankruptcy and ultimate rejection of our contract.

Insurance

Our portfolio-wide general liability and property insurance policies expired on December 31, 2001. We renewed these policies, the cost of which is predominantly passed through to tenants, at similar coverage levels, but at price increases aggregating approximately 30%. All of our Portfolio Properties have insurance coverage for 2002. The exception to coverage levels is in the area of terrorism, which is now excluded in our new property coverage. Terrorism coverage is simply not available today at any reasonable pricing level and Congress did not act to provide any type of supplemental or substitute coverage. To offset the drastic increases in insurance costs, we have taken measures to keep overall recoverable costs down to ensure that tenant costs per square foot do not increase significantly. We believe that we are in compliance with all insurance provisions of our debt agreements even though we lack terrorism insurance coverage. Some new loans are being quoted and closed without terrorism coverage, so this is not hindering our access to capital.

Inflation

Inflation has remained relatively low during the past four years and has had a minimal impact on the operating performance of the Properties. Nonetheless, substantially all of the tenants' leases contain provisions designed to lessen the impact of inflation. These provisions include clauses enabling us to receive percentage rentals based on tenants' gross sales, which generally increase as prices rise, and/or escalation clauses, which generally increase rental rates during the terms of the leases. In addition, many of the leases are for terms of less than ten years, which may enable us to replace existing leases with new leases at higher base and/or percentage rentals if rents of the existing leases are below the then-existing market rate. Substantially all of the leases, other than those for anchors, require the tenants to pay a proportionate share of operating expenses, including common area maintenance, real estate taxes and

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insurance, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation.

However, inflation may have a negative impact on some of our other operating items. Interest and general and administrative expenses may be adversely affected by inflation as these specified costs could increase at a rate higher than rents. Also, for tenant leases with stated rent increases, inflation may have a negative effect as the stated rent increases in these leases could be lower than the increase in inflation at any given time.

Seasonality

The shopping center industry is seasonal in nature, particularly in the fourth quarter during the holiday season, when tenant occupancy and retail sales are typically at their highest levels. In addition, shopping malls achieve most of their temporary tenant rents during the holiday season. As a result of the above, our earnings are generally highest in the fourth quarter of each year.

Environmental Matters

See Note 11 in the Notes to Financial Statements for discussion of environmental matters.

New Accounting Pronouncements

See Footnote 13 of the Notes to Financial Statements for a discussion of the impact of new accounting pronouncements.

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Item 7A. Qualitative and Quantitative Disclosure About Market Risk

Please refer to the Management's Discussion and Analysis of Financial Condition and Results of Operations included in Item 7 under the caption Liquidity and Capital Resources.

Item 8. Financial Statements and Supplementary Data

Reference is made to the Index to Financial Statements contained in Item 14.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

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Part III

Item 10. Directors and Executive Officers of the Registrant

The managing general partner of the SPG Operating Partnership is SPG. The information required by this item is incorporated herein by reference to SPG's definitive Proxy Statement for its annual meeting of shareholders to be filed with the Commission pursuant to Regulation 14A and is included under the caption "Executive Officers of the Registrants" in Part I thereof.

Item 11. Executive Compensation

The information required by this item is incorporated herein by reference to SPG's definitive Proxy Statement for its annual meeting of shareholders to be filed with the Commission pursuant to Regulation 14A.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by this item is incorporated herein by reference to SPG's definitive Proxy Statement for its annual meeting of shareholders to be filed with the Commission pursuant to Regulation 14A.

Item 13. Certain Relationships and Related Transactions

The information required by this item is incorporated herein by reference to SPG's definitive Proxy Statement for its annual meeting of shareholders to be filed with the Commission pursuant to Regulation 14A.

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PART IV

Item 14. Exhibits, Financial Statements, Schedules and Reports on Form 8-K

(a) (1) <u>Financial Statements</u>	<u>Page No.</u>
Report of Independent Public Accountants	50
Consolidated Balance Sheets as of December 31, 2001 and 2000	51
Consolidated Statements of Operations for the years ended December 31, 2001, 2000 and 1999	52
Consolidated Statements of Cash Flows for the years ended December 31, 2001, 2000 and 1999	53
Consolidated Statements of Partners' Equity for the years ended	54

Notes to Financial Statements	55
(2) Financial Statement Schedules	
Report of Independent Public Accountants	86
Simon Property Group, L.P. Schedule III—Schedule of Real Estate and Accumulated Depreciation	87
Notes to Schedule III	92
(3) Exhibits	
The Exhibit Index attached hereto is hereby incorporated by reference to this Item.	93
(b) Reports on Form 8-K	
None.	

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Simon Property Group, Inc.:

We have audited the accompanying consolidated balance sheets of Simon Property Group, L.P. (a Delaware limited partnership) and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of operations and comprehensive income, partners' equity and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the management of Simon Property Group, L.P. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Simon Property Group, L.P. and subsidiaries as of December 31, 2001 and 2000, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

As explained in Note 13 to the financial statements, effective January 1, 2001, Simon Property Group, L.P. adopted SFAS 133 "Accounting for Derivative Instruments and Hedging Activities," as amended in June of 2000 by SFAS 138, "Accounting for Derivative Instruments and Hedging Activities." SFAS 133, as amended, establishes accounting and reporting standards for derivative instruments. As explained in Note 13 to the financial statements, effective January 1, 2000, Simon Property Group, L.P. adopted Staff Accounting Bulletin No. 101, which addressed certain revenue recognition policies, including the accounting for overage rent by a landlord.

ARTHUR ANDERSEN LLP

Indianapolis, Indiana
March 28, 2002.

Simon Property Group, L.P.
Consolidated Balance Sheets
(Dollars in thousands)

	December 31, 2001	December 31, 2000
ASSETS:		
Investment properties, at cost	\$ 13,031,979	\$ 12,883,471
Less – accumulated depreciation	1,863,682	1,471,178
	<u>11,168,297</u>	<u>11,412,293</u>
Cash and cash equivalents	252,172	209,755
Tenant receivables and accrued revenue, net	311,857	294,775
Notes and advances receivable from Management Company and affiliates	82,612	182,401
Note receivable from the SRC Operating Partnership (Interest at 8%, due 2009)	—	29,425
Investment in unconsolidated entities, at equity	1,443,618	1,308,838
Goodwill, net	37,212	38,384
Deferred costs and other assets, net	302,834	240,578
Minority interest	45,644	42,377
Total assets	\$ 13,644,246	\$ 13,758,826
LIABILITIES:		
Mortgages and other indebtedness	\$ 8,841,378	\$ 8,728,582
Accrued dividends	816	18,266
Accounts payable and accrued expenses	539,850	437,860
Cash distributions and losses in partnerships and joint ventures, at equity	26,084	44,634

Other liabilities	212,692	227,083
Total liabilities	9,620,820	9,456,425
COMMITMENTS AND CONTINGENCIES (Note 11)		
PARTNERS' EQUITY:		
Preferred units, 22,081,686 and 22,049,570 units outstanding, respectively. Liquidation values \$1,058,697 and \$1,058,950, respectively.	1,028,318	1,028,435
General Partner, 172,135,362 and 170,274,816 units outstanding, respectively	2,266,472	2,451,452
Limited Partners, 63,930,350 and 64,966,226 units outstanding, respectively	841,758	935,321
Note receivable from SPG (Interest at 7.8%, due 2009)	(92,825)	(92,825)
Unamortized restricted stock award	(20,297)	(19,982)
Total partners' equity	4,023,426	4,302,401
Total liabilities and partners' equity	\$ 13,644,246	\$ 13,758,826

The accompanying notes are an integral part of these statements.

Simon Property Group, L.P.
Consolidated Statements of Operations and Comprehensive Income
(Dollars in thousands, except per unit amounts)

	For the Year Ended December 31,		
	2001	2000	1999
REVENUE:			
Minimum rent	\$ 1,258,528	\$ 1,215,623	\$ 1,134,297
Overage rent	48,275	56,200	60,720
Tenant reimbursements	600,634	596,578	578,752
Other income	125,873	132,310	106,466
Total revenue	2,033,310	2,000,711	1,880,235
EXPENSES:			
Property operating	324,793	308,432	292,249
Depreciation and amortization	449,521	416,239	378,192
Real estate taxes	195,056	188,077	185,340
Repairs and maintenance	77,467	73,392	70,364
Advertising and promotion	64,311	64,726	65,216
Provision for credit losses	8,387	9,603	8,367
Other	34,794	32,288	27,796
Impairment on investment properties	47,000	10,572	—
Total operating expenses	1,201,329	1,103,329	1,027,524
OPERATING INCOME	831,981	897,382	852,711
Interest expense	607,499	637,325	579,848
Income before minority interest	224,482	260,057	272,863
Minority interest	(10,715)	(10,725)	(10,719)
Gain (loss) on sales of assets, net	2,603	19,704	(1,942)
Income before unconsolidated entities	216,370	269,036	260,202
Income from unconsolidated entities	64,663	84,322	49,641
Income before extraordinary items and cumulative effect of accounting change	281,033	353,358	309,843
Unusual item (Note 11)	—	—	(12,000)
Extraordinary items - Debt related transactions	163	(649)	(6,705)
Cumulative effect of accounting change (Note 13)	(1,700)	(12,311)	—
NET INCOME	279,496	340,398	291,138
Preferred unit requirement	(77,445)	(77,410)	(69,323)
NET INCOME AVAILABLE TO UNITHOLDERS	\$ 202,051	\$ 262,988	\$ 221,815
NET INCOME AVAILABLE TO UNITHOLDERS ATTRIBUTABLE TO:			
General Partners:			
SPG (Managing General Partner)	\$ 102,107	\$ 63,987	\$ 51,860
SPG Properties	44,448	126,385	108,428
Limited Partners	55,496	72,616	61,527
Net income	\$ 202,051	\$ 262,988	\$ 221,815

BASIC AND DILUTED EARNINGS PER UNIT:

Income before extraordinary items and cumulative effect of accounting change	\$	0.87	\$	1.16	\$	0.98
Net income	\$	0.86	\$	1.11	\$	0.95
Net Income	\$	279,496	\$	340,398	\$	291,138
Other comprehensive income (Note 5)		(9,893)		8,098		(8,274)
Comprehensive Income	\$	269,603	\$	348,496	\$	282,864

The accompanying notes are an integral part of these statements.

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Simon Property Group, L.P.
Consolidated Statements of Cash Flows
(Dollars in thousands)

	For the Year Ended December 31,		
	2001	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 279,496	\$ 340,398	\$ 291,138
Adjustments to reconcile net income to net cash provided by operating activities -			
Depreciation and amortization	460,856	426,648	390,020
Extraordinary items	(163)	649	6,705
Impairment on investment properties	47,000	10,572	—
Unusual Item	—	—	12,000
Gain on sales of assets, net	(2,603)	(19,704)	1,942
Cumulative effect of accounting change	1,700	12,311	—
Straight-line rent	(10,900)	(15,372)	(17,666)
Minority interest	10,715	10,725	10,719
Equity in income of unconsolidated entities	(64,663)	(84,322)	(49,641)
Changes in assets and liabilities -			
Tenant receivables and accrued revenue	4,309	(3,151)	(37,225)
Deferred costs and other assets	(40,402)	(3,730)	(23,242)
Accounts payable, accrued expenses and other liabilities	111,618	25,552	35,100
Net cash provided by operating activities	796,963	700,576	619,850
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions	(164,295)	(1,325)	(339,065)
Capital expenditures	(281,621)	(409,733)	(488,712)
Cash from mergers, acquisitions and consolidation of joint ventures, net	8,156	—	83,169
Net proceeds from sale of assets and investment	19,550	164,574	46,750
Investments in unconsolidated entities	(147,933)	(161,580)	(83,124)
Distributions from unconsolidated entities	288,960	360,290	221,509
Investment in and advances (to)/from the Management Company and affiliate	1,378	(20,319)	(46,704)
Mortgage loan payoff from the SRC Operating Partnership	—	—	20,565
Loan to the SRC Operating Partnership	5,598	(19,577)	(9,848)
Net cash used in investing activities	(270,207)	(87,670)	(595,460)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Partnership contributions	8,003	1,190	1,463
Purchase of treasury units and limited partner units	—	(50,828)	—
Partnership distributions	(586,289)	(539,538)	(538,807)
Minority interest distributions, net	(13,982)	(16,224)	(14,923)
Loan payoff to the SRC Operating Partnership	—	—	(17,907)
Mortgage and other note proceeds, net of transaction costs	2,454,994	1,474,527	2,168,069
Mortgage and other note principal payments	(2,347,065)	(1,426,021)	(1,593,008)
Net cash provided by (used in) financing activities	(484,339)	(556,894)	4,887
INCREASE IN CASH AND CASH EQUIVALENTS	42,417	56,012	29,277
CASH AND CASH EQUIVALENTS, beginning of period	209,755	153,743	124,466
CASH AND CASH EQUIVALENTS, end of period	\$ 252,172	\$ 209,755	\$ 153,743

The accompanying notes are an integral part of these statements.

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*Consolidated Statements of Partners' Equity
(Dollars in thousands)*

	General Partners						Total Partners' Equity
	Preferred Units	SPG (Managing General Partner)	SPG Properties and SD Property Group	Limited Partners	Unamortized Restricted Stock Award	Note Receivable from SPG	
Balance at December 31, 1998	\$ 1,057,245	\$ 751,948	\$ 1,788,712	\$ 1,009,646	\$ (19,750)	\$ —	\$ 4,587,801
General Partner Contributions (82,988 units)		2,131					2,131
Preferred Unit Conversion (5,926,440 units)	(199,320)	198,787					(533)
Units issued to pay dividend (153,890 units)		4,016					4,016
NED Acquisition (Note 3):							
Preferred Units (5,168,454)	149,885						149,885
Units (1,269,446)				36,180			36,180
Mall of America acquisition (1,000,000 preferred units)	24,242						24,242
Units issued to SPG for Note (3,617,070 Units)		92,825				(92,825)	—
Stock incentive program (537,861 units, net of forfeitures)		14,183	(596)		(12,990)		597
Amortization of stock incentive					10,601		10,601
Units purchased by subsidiary (310,955)		(7,953)					(7,953)
Other (Accretion of Preferred Units, and 6,923 limited partner Units redeemed)	268			(607)			(339)
Adjustment to allocate net equity of the SPG Operating Partnership		(111,227)	81,473	29,754			—
Distributions	(69,323)	(78,016)	(258,975)	(129,941)			(536,255)
Net income	69,323	22,524	137,764	61,527			291,138
Other comprehensive income		(2,004)	(3,974)	(2,296)			(8,274)
Balance at December 31, 1999	\$ 1,032,320	\$ 887,214	\$ 1,744,404	\$ 1,004,263	\$ (22,139)	\$ (92,825)	\$ 4,553,237
Managing General Partner Contributions (27,910 Units)		1,134					1,134
Conversion of 2,212 Series A Preferred Units into 84,046 Units	(2,827)	2,819					(8)
Units Issued as Dividend (1,242 Units)		31					31
Conversion of 14,274 Series B Preferred Units into 36,913 Units	(1,327)	1,324					(3)
Stock incentive program (417,994 Units, net)		9,849	(276)		(9,613)		(40)
Amortization of stock incentive					11,770		11,770
Units purchased by subsidiary (191,500)		(4,522)					(4,522)
Treasury units purchased (1,596,100)		(39,854)					(39,854)
Other (Accretion of Preferred Units, and 478,454 limited partner Units redeemed)	269			(11,183)			(10,914)
Adjustment to allocate net equity of the SPG Operating Partnership		8,974	(8,272)	(702)			—
Distributions	(77,410)	(117,964)	(229,633)	(131,919)			(556,926)
Net income	77,410	63,987	126,385	72,616			340,398
Other comprehensive income		1,967	3,885	2,246			8,098
Balance at December 31, 2000	\$ 1,028,435	\$ 814,959	\$ 1,636,493	\$ 935,321	\$ (19,982)	\$ (92,825)	\$ 4,302,401
Managing General Partner Contributions (400,026 Units)		8,792					8,792
Conversion of 1,220 Series A Preferred Units into 46,355 Units	(1,559)	1,555					(4)
Units Issued as Dividend (442 Units)		12					12
Accretion of preferred units	475						475
Preferred units issued (33,332 Units)	967						967
Limited Partner units issued (8,185 Units)				233			233
Limited Partner units converted to common units (958,997 Units)		10,794		(10,794)			—
Stock incentive program (454,726 Units, net)		11,925	(139)		(11,827)		(41)
Amortization of stock incentive					11,512		11,512
Merger of SPG Properties into SPG (Note 10)		1,562,160	(1,562,160)				—
Other (includes 85,064 Units converted to cash)		559		(2,145)			(1,586)
Adjustment to allocate net equity of the SPG Operating Partnership		(1,367)	329	1,038			—
Distributions	(77,445)	(241,861)	(114,921)	(134,711)			(568,938)
Net income	77,445	102,107	44,448	55,496			279,496
Other comprehensive income		(3,163)	(4,050)	(2,680)			(9,893)
Balance at December 31, 2001	\$ 1,028,318	\$ 2,266,472	\$ —	\$ 841,758	\$ (20,297)	\$ (92,825)	\$ 4,023,426

The accompanying notes are an integral part of these statements.

SIMON PROPERTY GROUP, L.P.

NOTES TO FINANCIAL STATEMENTS

(Dollars in thousands, except per unit amounts and where indicated as in millions or billions)

1. Organization

Simon Property Group, L.P. (the "SPG Operating Partnership"), a Delaware limited partnership, is a majority owned subsidiary of Simon Property Group, Inc. ("SPG"), a Delaware corporation. SPG is a self-administered and self-managed real estate investment trust ("REIT") under the Internal Revenue Code of 1986, as amended (the "Code"). Each share of common stock of SPG is paired ("Paired Shares") with a beneficial interest in 1/100th of a share of common stock of SPG Realty Consultants, Inc., also a Delaware corporation ("SRC" and together with SPG, the "Companies"). Units of ownership interest ("Units") in the SPG Operating Partnership are paired ("Paired Units") with a Unit in SPG Realty Consultants, L.P. (the "SRC Operating Partnership" and together with the SPG Operating Partnership, the "Operating Partnerships"). The SRC Operating Partnership is the primary subsidiary of SRC.

The SPG Operating Partnership is engaged in the ownership, operation, leasing, management, acquisition, expansion and development of real estate properties. The SPG Operating Partnership's real estate properties consist primarily of regional malls and community shopping centers. As of December 31, 2001, the SPG Operating Partnership owned or held an interest in 251 income-producing properties in the United States, which consisted of 165 regional malls, 72 community shopping centers, five specialty retail centers, four office and mixed-use properties and five value-oriented super-regional malls in 36 states (the "Properties"). The SPG Operating Partnership also owned an interest in 11 parcels of land held for future development, which together with the Properties are hereafter referred to as the "Portfolio Properties." In addition, the SPG Operating Partnership has ownership in seven additional retail real estate properties operating in Europe and Canada. The SPG Operating Partnership's leases from retail tenants generate the majority of its revenues through:

- Base minimum rents and cart and kiosk rentals
- Overage and percentage rents based on tenants' sales volume
- Recoveries of common area maintenance, real estate tax, and advertising and promotion expenditures.

The SPG Operating Partnership also generates revenues due to its size and tenant relationships from:

- Mall marketing initiatives
- Consumer focused strategic corporate alliances
- Delivering competitively priced property operating services to our tenants.

The SPG Operating Partnership also holds substantially all of the economic interest in M.S. Management Associates, Inc. (the "Management Company"). See Note 7 for a description of the activities of the Management Company. The Management Company elected to become a taxable REIT subsidiary effective January 1, 2001.

The SPG Operating Partnership is subject to risks incidental to the ownership and operation of commercial real estate. These include, among others, the risks normally associated with changes in the general economic climate, trends in the retail industry, creditworthiness of tenants, competition for tenants and customers, changes in tax laws, interest rate levels, the availability of financing, and potential liability under environmental and other laws. The SPG Operating Partnership's regional malls and community shopping centers rely heavily upon anchor tenants like most retail properties. Three retailers' anchor stores occupied 338 of the approximately 985 anchor stores in the Properties as of December 31, 2001. An affiliate of one of these retailers is a limited partner in the Operating Partnerships.

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2. Basis of Presentation and Consolidation

The accompanying consolidated financial statements include accounts of all entities owned or controlled by the SPG Operating Partnership. All significant intercompany amounts have been eliminated.

Consolidated properties are wholly-owned or owned less than 100% and are controlled by SPG Operating Partnership. Control is demonstrated by the ability of the general partner to manage day-to-day operations, refinance debt and sell the assets of the partnership without the consent of the limited partner and the inability of the limited partner to replace the general partner. The deficit minority interest balance in the accompanying balance sheets represents outside partners' interests in the net equity of certain Properties. Deficit minority interests are recorded when a partnership agreement provides for the settlement of deficit capital accounts before distributing the proceeds from the sale of partnership assets and/or from the intent (legal or otherwise) and ability of the partner to fund additional capital contributions.

Investments in partnerships and joint ventures represent noncontrolling ownership interests in properties ("Joint Venture Properties") and the investment in the Management Company (see Note 7). These investments are accounted for using the equity method of accounting. These investments are recorded initially at cost and subsequently adjusted for net equity in income (loss), which is allocated in accordance with the provisions of the applicable partnership or joint venture agreement, and cash contributions and distributions. The allocation provisions in the partnership or joint venture agreements are not always consistent with the ownership interests held by each general or limited partner or joint venturer primarily due to partner preferences.

Net operating results of the SPG Operating Partnership are allocated after preferred distributions (see Note 10), based on its partners' weighted average ownership interests during the period. During 2001, one of the SPG Operating Partnership's general partners, SPG Properties Inc., merged with and into SPG as described in Note 10. SPG's weighted average direct and indirect ownership interest in the SPG Operating Partnership during 2001, 2000 and 1999 was 72.5%, 72.4% and 72.3%, respectively. At December 31, 2001 and 2000, SPG's direct and indirect ownership interest in the SPG Operating Partnership was 72.9% and 72.4%, respectively.

3. NED Acquisition

During 1999, the SPG Operating Partnership acquired ownership interests in 14 regional malls from New England Development Company (the "NED Acquisition"). The SPG Operating Partnership acquired one of the Properties directly and formed a joint venture with three partners ("Mayflower"), of which the SPG Operating Partnership owns a noncontrolling 49.1%, to acquire interests in the remaining Properties. The total cost of the NED Acquisition is approximately \$1.8 billion, of which the SPG Operating Partnership's share is approximately \$894 million. The SPG Operating Partnership assumed management responsibilities for the portfolio, which includes approximately 10.7 million square feet of GLA. The SPG Operating Partnership's share of the cost of the NED Acquisition included the assumption of approximately \$530.0 million of mortgage indebtedness; \$177.1 million in cash; the issuance of 1,269,446 Paired Units valued at approximately \$36.4 million; the issuance of 2,584,227 7% Convertible Preferred Units in the SPG Operating Partnership valued at approximately \$72.8 million; and 2,584,227 8% Redeemable Preferred Units in the SPG Operating Partnership valued at approximately \$78.0 million. The SPG Operating Partnership's share of the cash portion of the purchase price was financed primarily using the Credit Facility (see Note 8).

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In connection with the NED Acquisition, SPG borrowed \$92.8 million from the SPG Operating Partnership at 7.8% interest with a maturity of December 2009. SPG used the proceeds to purchase a noncontrolling 88% interest in one of the NED Properties. SPG contributed its interest in such Property to the SPG Operating Partnership in exchange for 3,617,070 Paired Units. The SPG Operating Partnership then contributed its interest in such Property to Mayflower in exchange for an ownership interest in Mayflower. The note receivable from SPG is recorded as a reduction of partners' equity.

4. Other Real Estate Acquisitions, Disposals, and Impairment

Acquisitions

On October 1, 2001, the SPG Operating Partnership purchased a 50% interest in Fashion Valley Mall located in San Diego, California for a purchase price of \$165.0 million which includes the SPG Operating Partnership's share of a \$200.0 million, seven year mortgage at a fixed rate of 6.5% issued concurrent with the acquisition by the partnership owning the property. The SPG Operating Partnership also assumed management responsibilities for this 1.7 million square foot open-air, super-regional mall.

On August 20, 2001, the SPG Operating Partnership acquired an additional 21.46% interest in the Fashion Centre at Pentagon City for a total of \$77.5 million. Concurrent with the acquisition, the partnership owning the property issued \$200.0 million of debt. The purchase price consisted of cash and an additional capital contribution to the Property.

During 1999, the SPG Operating Partnership acquired the remaining interests in four Properties, and a noncontrolling 27.5% ownership interest in the 2.8 million square-foot Mall of America for a combined price of approximately \$317.9 million, including the assumption of \$134.3 million of mortgage indebtedness, 1,000,000 shares of 8% Redeemable Preferred Stock in SPG issued at \$24.2 million, and the remainder in cash, financed primarily through the Credit Facility and working capital. The SPG Operating Partnership is entitled to 50% of the economic benefits of Mall of America, due to a preference.

Subsequent to December 31, 2001, the SPG Operating Partnership signed a definitive agreement to jointly purchase the assets of Rodamco North America N.V., concurrently with Westfield America Trust and The Rouse Company, for \$5.3 billion. The SPG Operating Partnership's portion of the acquisition includes the purchase of the remaining ownership interests in four of the SPG Operating Partnership's existing joint venture assets and new ownership interests in nine additional properties. The SPG Operating Partnership's share of the purchase price is \$1.55 billion including \$570.0 million in debt and perpetual preferred stock assumed. The balance will be payable in cash at closing and, initially, will be funded by the existing Credit Facility and a new acquisition facility. The purchase price is denominated in Euros.

In connection with the acquisition of the assets of Rodamco North America N.V. the SPG Operating Partnership entered into a EUR 795.1 million collar transaction to manage its exposure to fluctuations in the Euro currency. This derivative transaction effectively maintains the SPG Operating Partnership's purchase price between a conversion rate of 0.91 Euros and 0.864 Euros. The fluctuation in earnings, if any, from this transaction will be partially offset by changes in the final purchase price. Current hedge accounting explicitly states that the effects of a hedge of a business combination must be reported through earnings and cannot be capitalized as part of the purchase price.

Disposals

The SPG Operating Partnership sold ownership interests in certain properties during each of the years ended December 31 presented in the accompanying financial statements. The disposals consisted of and resulted in the following:

	2001	2000	1999
Number of properties sold	3	7	2
Combined gross sales price	\$ 20,325	\$ 142,575	\$ 46,750
Net combined consolidated gains (losses)	\$ 2,603	\$ 19,704	(\$ 1,942)

The SPG Operating Partnership is continuing to pursue the sale of its remaining non-retail holdings and a number of retail assets that are no longer aligned with the SPG Operating Partnership's strategic criteria. The SPG Operating Partnership may decide to sell Properties that are held for use, in which case the sale prices of these assets may be less than the carrying value of the related assets.

Impairment

In connection with the SPG Operating Partnership's anticipated disposal of nine properties the SPG Operating Partnership recorded a \$47.0 million expense for the impairment of certain investment properties for the year ended December 31, 2001. In general, the overall decline in the economy has caused tenants to vacate space at certain lower quality properties decreasing occupancy rates and leading to declines in the fair values of these assets due to decreased profitability. In addition, the SPG Operating Partnership has committed to a plan to dispose of these assets in 2002. The impairment of these assets was estimated using a combination of cap rate analysis and discounted cash flows from the individual properties' operations as well as contract prices, if applicable. The actual losses may differ from these estimates. The nine properties' cash flows and results of operations were not material to the cash flows and results of operations of the SPG Operating Partnership and their removal from service will not materially affect the SPG Operating Partnership's ongoing operations. The total carrying amounts of these properties were \$87.2 million at December 31, 2001 and were included in investment properties.

The SPG Operating Partnership also recorded a \$10.6 million expense for the impairment of two Properties for the year ended December 31, 2000 for the same reasons discussed above. These two Properties were subsequently sold in 2001.

The SPG Operating Partnership also wrote-off certain technology assets in 2001. The write-off was comprised of consolidated miscellaneous technology investments of \$2.7 million recorded in other expense and the SPG Operating Partnership's net \$13.9 million share of the write-off of technology investments, primarily clixmortar as to which the SPG Operating Partnership has decided to postpone further development, recorded in the Management Company.

5. Summary of Significant Accounting Policies

Investment Properties

Investment Properties are recorded at cost or predecessor cost for Properties acquired from certain of the SPG Operating Partnership's Unitholders. Investment Properties for financial reporting purposes are reviewed for impairment on a Property-by-Property basis whenever events or changes in circumstances indicate that the carrying value of investment Properties may not be recoverable. Impairment of investment Properties is recognized when estimated undiscounted operating income is less than

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the carrying value of the Property. To the extent an impairment has occurred, the excess of carrying value of the Property over its estimated fair value is charged to income.

Investment Properties include costs of acquisitions, development and predevelopment, construction, tenant allowances and improvements, interest and real estate taxes incurred during construction, certain capitalized improvements and replacements, and certain allocated overhead. Depreciation on buildings and improvements is provided utilizing the straight-line method over an estimated original useful life, which is generally 35 years or the term of the applicable tenant's lease in the case of tenant inducements. Depreciable lives are reviewed periodically and are adjusted when necessary to reflect a shorter economic life. Depreciation on tenant allowances and improvements is provided utilizing the straight-line method over the term of the related lease.

Certain improvements and replacements are capitalized when they extend the useful life, increase capacity, or improve the efficiency of the asset. All other repair and maintenance items are expensed as incurred.

Goodwill

Goodwill resulted from the SPG Operating Partnership's merger with Corporate Property Investors, Inc. in 1998. Goodwill is amortized over the estimated life of the properties of 35 years. See Note 13 for the impact of the new accounting pronouncement SFAS No. 142 "Goodwill and Other Intangible Assets."

Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reported period. Actual results could differ from these estimates.

Capitalized Interest

Interest is capitalized on projects during periods of construction. Interest capitalized during 2001, 2000 and 1999 was \$9,807, \$18,210, and \$19,641, respectively.

Segment Disclosure

The SPG Operating Partnership's interests in its regional malls, community centers and other assets represent one segment because resource allocation and other operating decisions are based on an evaluation of the entire portfolio.

Long-term Investment

Investments in securities classified as available for sale are reflected at market value with the changes in market value reflected as comprehensive income in partners' equity. These investments were sold in 2000.

Deferred Costs

Deferred costs consist primarily of financing fees incurred to obtain long-term financing and internal and external leasing commissions and related costs. Deferred financing costs are amortized on a straight-line basis over the terms of the respective loans or agreements. Deferred leasing costs are amortized on a straight-line basis over the terms of the related leases. Deferred leasing costs consist primarily of capitalized salaries and related benefits in connection with lease originations. Net deferred costs of \$142,592 and \$138,396 are net of accumulated amortization of \$180,051 and \$148,697 as of December 31, 2001 and 2000, respectively.

Interest expense in the accompanying consolidated Statements of Operations and Comprehensive income includes amortization in each year of the following:

	2001	2000	1999
Amortization of deferred financing costs	\$ 16,513	\$ 15,798	\$ 17,535
Amortization of debt premiums net of discounts	(\$ 5,178)	(\$ 5,391)	(\$ 5,707)

Accounting Policies for Derivatives

The SPG Operating Partnership uses a variety of derivative financial instruments in the normal course of business to manage or hedge the risks described in Note 8 and records all derivatives on its balance sheets at fair value. The SPG Operating Partnership requires that hedging derivative instruments are effective in reducing the risk exposure that they are designated to hedge. Any instrument that meets these hedging criteria is formally designated as a hedge at the inception of the derivative contract.

The SPG Operating Partnership adjusts its balance sheets on an ongoing quarterly basis to reflect current fair market value of its derivatives. Changes in the fair value of derivatives are recorded each period in earnings or comprehensive income, as appropriate. The ineffective portion of the hedge is immediately recognized in earnings to the extent that the change in value of a derivative does not perfectly offset the change in value of the instrument being hedged. The unrealized gains and losses held in accumulated other comprehensive income will be reclassified to earnings over time and occurs when the hedged items are also recognized in earnings. The SPG Operating Partnership has a policy of only entering into contracts with major financial institutions based upon their credit ratings and other factors.

The SPG Operating Partnership uses standard market conventions to determine the fair values of derivative instruments and techniques such as discounted cash flow analysis, option pricing models, and termination cost are used to determine fair value at each balance sheet date. All methods of assessing fair value result in a general approximation of value and such value may never actually be realized.

Revenue Recognition

The SPG Operating Partnership, as a lessor, has retained substantially all of the risks and benefits of ownership of the investment Properties and accounts for its leases as operating leases. Minimum rents are accrued on a straight-line basis over the terms of their respective leases. Certain tenants are also required to pay overage rents based on sales over a stated base amount during the lease year. Beginning January 1, 2000, the SPG Operating Partnership recognizes overage rents only when each tenant's sales exceeds its sales threshold. Overage rents were previously recognized as revenues based on reported and estimated sales for each tenant through December 31, less the applicable base sales amount. Differences

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between estimated and actual amounts are recognized in the subsequent year. See Note 13 for description and impact of the accounting change.

Reimbursements from tenants for real estate taxes and other recoverable operating expenses are recognized as revenue in the period the applicable expenditures are incurred. The SPG Operating Partnership receives escrow payments for these reimbursements from substantially all its tenants throughout the year. This reduces the risk of loss on uncollectible accounts once the SPG Operating Partnership performs the final year end billings for recoverable expenditures. Differences between estimated recoveries and the final billed amounts are recognized in the subsequent year.

Allowance for Credit Losses

A provision for credit losses is recorded based on management's judgment of tenant creditworthiness. The activity in the allowance for credit losses during 2001, 2000 and 1999 was as follows:

Year Ended	Balance at Beginning of Year	Provision for Credit Losses	Accounts Written Off	Balance at End of Year
December 31, 2001	\$ 20,068	\$ 8,387	\$ (3,961)	\$ 24,494
December 31, 2000	\$ 14,488	\$ 9,603	\$ (4,023)	\$ 20,068
December 31, 1999	\$ 14,476	\$ 8,367	\$ (8,355)	\$ 14,488

Income Taxes

As a partnership, the allocated share of income or loss for each year is included in the income tax returns of the partners', accordingly, no accounting for income taxes is required in the accompanying consolidated financial statements. State and local taxes are not material.

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Per Unit Data

Basic earnings per Unit is based on the weighted average number of Units outstanding during the period and diluted earnings per Unit is based on the weighted average number of Units outstanding combined with the incremental weighted average Units that would have been outstanding if all dilutive potential common Units would have been converted into Units at the earliest date possible. The following table sets forth the computation for the SPG Operating Partnership's basic and diluted earnings per Unit.

	For the Year Ended December 31,		
	2001	2000	1999
Income before extraordinary items, before cumulative effect of accounting change, after the unusual item and after the preferred unit requirement	\$ 203,588	\$ 275,948	\$ 228,520
Extraordinary items	163	(649)	(6,705)
Cumulative effect of accounting change	(1,700)	(12,311)	—
Net Income available to Unitholders	\$ 202,051	\$ 262,988	\$ 221,815
Weighted Average Units Outstanding – Basic	235,750,287	236,535,534	232,569,029

Effect of stock options	358,414	99,538	137,002
Weighted Average Units Outstanding – Diluted	236,108,701	236,635,072	232,706,031
Basic and diluted per share amounts:			
Extraordinary items	—	—	(0.03)
Cumulative effect of accounting change	(0.01)	(0.05)	—

Basic and diluted earnings per Unit is presented in the financial statements based upon the weighted average number of Units outstanding of the SPG Operating Partnership. Preferred Units issued and outstanding during the comparative periods did not have a dilutive effect on earnings per Unit. Paired Units held by limited partners in the Operating Partnerships may be exchanged for Paired Shares, on a one-for-one basis in certain circumstances. If exchanged, the Paired Units would not have a dilutive effect. The increase in weighted average Units outstanding under the diluted method over the basic method in every period presented for the SPG Operating Partnership is due entirely to the effect of outstanding stock options. The SPG Operating Partnership accrues distributions when they are declared.

Cash and Cash Equivalents

All highly liquid investments purchased with an original maturity of 90 days or less are considered cash and cash equivalents. Cash equivalents are carried at cost, which approximates market value. Cash equivalents generally consist of commercial paper, bankers acceptances, Eurodollars, repurchase agreements and Dutch auction securities.

Noncash Transactions

Please refer to Notes 3, 4, 7, 10, and 12 for additional discussion of noncash transactions.

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Comprehensive Income

The following table summarizes the components of other comprehensive income for the SPG Operating Partnership:

	<i>For the Year Ended December 31,</i>		
	<i>2001</i>	<i>2000</i>	<i>1999</i>
Cumulative effect of accounting change (Note 13)	\$ (1,995)	\$ —	\$ —
Unrealized losses on interest rate hedge agreements	(12,041)	—	—
Net losses on derivative instruments reclassified from accumulated other comprehensive income into interest expense	4,071		
Other	72	8,098	(8,274)
Other comprehensive income	\$ (9,893)	\$ 8,098	\$ (8,274)

As of December 31, 2001, \$9.9 million of accumulated other comprehensive income is included in partners' equity, of which \$7.2 million is included in general partners' equity and \$2.7 million is included in limited partners' equity. Accumulated other comprehensive income consists of unrealized losses on derivative instruments. There was no accumulated other comprehensive income as of December 31, 2000.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. These reclassifications have no impact on net operating results previously reported.

6. Investment Properties

Investment Properties consist of the following:

	<i>December 31,</i>	
	<i>2001</i>	<i>2000</i>
Land	\$ 1,960,623	\$ 1,973,380
Buildings and improvements	10,972,343	10,820,467
Total land, buildings and improvements	12,932,966	12,793,847
Furniture, fixtures and equipment	99,013	89,624
Investment properties at cost	13,031,979	12,883,471
Less—accumulated depreciation	1,863,682	1,471,178
Investment properties at cost, net	\$ 11,168,297	\$ 11,412,293

Investment Properties include \$111,217 and \$122,277 of construction in progress at December 31, 2001 and 2000, respectively.

7. Investments in Unconsolidated Entities

Joint ventures are common in the real estate industry. The SPG Operating Partnership utilizes joint ventures to finance certain properties and to diversify its risk in a particular trade area. In addition, the SPG Operating Partnership's size makes it an attractive partner for other real estate companies that

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may not want to assume or do not have the ability to assume 100% of the risk of a particular project or acquisition. As discussed in Note 2, since the SPG Operating Partnership does not fully control these properties, its accounting policy and current GAAP requires that it account for these properties on the equity method of accounting. Summary financial information of the joint ventures and a summary of the SPG Operating Partnership's investment in and share of income from such joint ventures follow.

December 31,

	2001	2000
BALANCE SHEETS		
Assets:		
Investment properties at cost, net	\$ 6,880,665	\$ 6,563,470
Cash and cash equivalents	202,985	188,048
Tenant receivables	195,132	165,583
Other assets	169,569	186,147
Total assets	\$ 7,448,351	\$ 7,103,248
Liabilities and Partners' Equity:		
Mortgages and other notes payable	\$ 5,689,388	\$ 5,128,879
Accounts payable, accrued expenses and other liabilities	306,445	295,325
Total liabilities	5,995,833	5,424,204
Partners' equity	1,452,518	1,679,044
Total liabilities and partners' equity	\$ 7,448,351	\$ 7,103,248
The SPG Operating Partnership's Share of:		
Total assets	\$ 3,084,342	\$ 2,875,125
Partners' equity	\$ 746,537	\$ 652,279
Add: Excess Investment	563,278	557,548
The SPG Operating Partnership's net Investment in Joint Ventures	\$ 1,309,815	\$ 1,209,827

"Excess Investment" represents the unamortized difference of the SPG Operating Partnership's investment over its share of the equity in the underlying net asset of the partnerships and joint ventures acquired. Excess investment is amortized over the life of the related Properties, typically 35 years, and the amortization is included in income from unconsolidated entities. The statement of operations summary financial information includes in the 1999 amortization a \$5,000 writedown on a joint venture investment.

As of December 31, 2001, scheduled principal repayments on joint venture indebtedness were as follows:

2002	\$ 415,850
2003	534,512
2004	489,769
2005	951,348
2006	766,171
Thereafter	2,519,242
Total principal maturities	5,676,892
Net unamortized debt premiums	12,496
Total mortgages and other notes payable	\$ 5,689,388

This debt becomes due in installments over various terms extending through 2011 with interest rates ranging from 2.24% to 9.05% and a weighted average rate of 6.10% at December 31, 2001.

	For the Year Ended December 31,		
	2001	2000	1999
STATEMENTS OF OPERATIONS			
Revenue:			
Minimum rent	\$ 835,348	\$ 766,379	\$ 570,902
Overage rent	30,356	31,174	25,957
Tenant reimbursements	403,817	377,673	276,223
Other income	54,940	56,467	45,140
Total revenue	1,324,461	1,231,693	918,222
Operating Expenses:			
Operating expenses and other	470,610	447,331	324,061
Depreciation and amortization	263,174	237,938	170,339
Total operating expenses	733,784	685,269	494,400
Operating Income	590,677	546,424	423,822
Interest Expense	367,065	357,380	235,179
Loss on Sale of Assets	—	(6,990)	—
Income Before Extraordinary Items and Cumulative Effect of Accounting Change ("IBEC")	223,612	182,054	188,643
Cumulative Effect of Accounting Change	(3,011)	(3,948)	—
Extraordinary Items—Debt Extinguishments	(295)	(1,842)	(66)
Net Income	\$ 220,306	\$ 176,264	\$ 188,577
Third-Party Investors' Share of IBEC	134,931	103,506	116,465

The SPG Operating Partnership's Share of IBEC	\$ 88,681	\$ 78,548	\$ 72,178
Amortization of Excess Investment	21,279	20,972	27,252
Income from Joint Ventures	\$ 67,402	\$ 57,576	\$ 44,926

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European Investment

The balance sheets and results of operations of the SPG Operating Partnership's European investments are included in the summary financial information of joint ventures above. The SPG Operating Partnership has a 32.3% ownership interest in European Retail Enterprises, B.V. ("ERE"). Prior to January 2001, the Management Company had a 29% ownership interest in Groupe BEG, S.A. ("BEG") which was accounted for using the equity method of accounting. In January 2001, BEG merged with ERE and became a wholly-owned subsidiary of ERE. During the third quarter of 2001, the Management Company transferred its interest in ERE at its carrying value of \$29.9 million to the SPG Operating Partnership through the intercompany note to simplify the organizational structure. BEG and ERE are fully integrated European retail real estate developers, lessors and managers. The SPG Operating Partnership's current total investment in ERE and BEG, including subordinated debt, is approximately \$73.4 million. The current estimated additional commitment, including subordinated debt, is approximately \$27.6 million. However, since the SPG Operating Partnership's future commitments are subject to certain performance and other criteria, including the SPG Operating Partnership's approval of development projects, these additional commitments may vary. The agreements with BEG and ERE are structured to allow the SPG Operating Partnership to acquire an additional 28.5% ownership interest over time. As of December 31, 2001, BEG and ERE had four properties open in Poland and two in France.

The translation adjustment resulting from the conversion of BEG and ERE's financial statements from Euros to U.S. dollars was not significant for the years ended December 31, 2001, 2000 and 1999.

The Management Company

The SPG Operating Partnership holds 80% of the outstanding common stock, 5% of the outstanding voting common stock, all of the 8% cumulative Class A preferred stock, all of the 6% Cumulative Class B preferred stock, and all of the 6% Cumulative Class C preferred stock of the Management Company. The remaining 20% of the outstanding common stock of the Management Company (representing 95% of the voting common stock) is owned directly by certain Simon family members. Because the SPG Operating Partnership exercises significant influence but not control over the financial and operating policies of the Management Company, it is reflected in the accompanying statements using the equity method of accounting. The SPG Operating Partnership has accounted for the Management Company as an unconsolidated entity since it became a public company. One of the primary reasons for the Management Company being accounted for as a non-consolidated joint venture is that the income generated from management fees, leasing fees, and development contracts as well as other income is considered impermissible under REIT requirements of the Code. Transactions may be structured through the Management Company to avoid jeopardizing SPG's status as a REIT under the Code.

The Management Company, including its consolidated subsidiaries, provides management, leasing, development, project management, accounting, legal, marketing and management information systems services and property damage and general liability insurance coverage to certain Portfolio Properties. The SPG Operating Partnership incurred total costs of \$86,488, \$86,238 and \$82,630 on consolidated Properties, related to services provided by the Management Company and its affiliates in 2001, 2000 and 1999, respectively. Certain of these amounts are capitalized by the SPG Operating Partnership for leasing and development costs. Common costs are allocated by the Management Company to the SPG Operating Partnership using assumptions that management believes are reasonable. Amounts due to the Management Company under cost-sharing arrangements and management contracts are netted in notes and

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advances receivable from the Management Company and affiliates. In addition, the Management Company also provides certain of such services to Melvin Simon & Associates, Inc. ("MSA"), and certain other non-owned properties for a fee. Fees for services provided by the Management Company to MSA were \$4,249, \$4,246 and \$3,853 for the years ended December 31, 2001, 2000 and 1999, respectively.

As of December 31, 2001 and 2000, amounts due from the Management Company for unpaid accrued interest and unpaid accrued preferred dividends were not material to the consolidated financial statements or to those of SPG. Included in other income, the SPG Operating Partnership recorded interest income and preferred dividends from the Management Company of the following:

	For the Year Ended December 31,		
	2001	2000	1999
Interest and preferred dividends	\$ 13,638	\$ 13,140	\$ 11,180

The Management Company elected to become a taxable REIT subsidiary ("TRS") effective January 1, 2001. The SPG Operating Partnership and the Management Company performed the following recapitalization transactions in order to implement the SPG Operating Partnership's new TRS strategy. The SPG Operating Partnership contributed its ownership in clixmortar at its carrying value of \$22.6 million and \$385 to the Management Company in exchange for 2,140 shares of 6% Cumulative Class B preferred stock of the Management Company on March 31, 2001. In addition, the SPG Operating Partnership contributed \$60.2 million of its note receivable from the Management Company in exchange for 5,600 shares of 6% Cumulative Class C preferred stock on December 31, 2001. The SPG Operating Partnership's economic ownership of the Management Company increased to 98.0% from 90.0% as a result of these transactions. Finally, the SPG Operating Partnership agreed to reduce the interest rate on the note receivable from the Management Company to 7% from 11% effective January 1, 2002 to more accurately reflect current interest rate conditions.

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Summarized consolidated financial information of the Management Company and a summary of the SPG Operating Partnership's investment in and share of income from the Management Company follows and includes the effects of the Management Company's ownership of MerchantWired LLC.

	December 31,	
	2001	2000
BALANCE SHEET DATA:		
Total assets	\$ 232,024	\$ 246,713
Notes payable to the SPG Operating Partnership at 11%, due 2008, and advances	79,738	182,401
Shareholders' equity	75,948	35,630

The SPG Operating Partnership's Share of:

Total assets	\$	229,434	\$	234,279
Net investment in the Management Company	\$	107,719	\$	54,377

For the Year Ended December 31,

	2001	2000	1999
OPERATING DATA:			
Total revenue and income/loss from joint ventures	\$ 111,713	\$ 89,518	\$ 115,761
Operating (Loss) Income	(2,115)	33,190	5,573
Net Income (Loss) Available for Common Shareholders	\$ (4,550)	\$ 31,790	\$ 4,173
The SPG Operating Partnership's Share of Net Income (Loss) after intercompany profit elimination	\$ (2,739)	\$ 26,746	\$ 4,715

The SPG Operating Partnership's share of the Management Company's net investment in and receivables from MerchantWired LLC was \$33.7 million at December 31, 2001. The SPG Operating Partnership, along with the other members of MerchantWired LLC, is in the final stages of negotiating a sale of MerchantWired LLC to a third party for cash and contingent consideration. Completing the sale is subject to finalizing the termination or modification of certain third party contracts, the buyer obtaining credit approval from its lenders, and certain regulatory and other matters. As a condition of this transaction, the SPG Operating Partnership will also acquire approximately \$24 million of cable and related infrastructure from MerchantWired LLC and will make an \$8 million additional contribution to MerchantWired LLC. These proceeds, along with proceeds from other members, will be used by MerchantWired LLC to satisfy amounts outstanding under various lease arrangements and trade payables, resulting in the members being relieved of all guarantee arrangements. Management expects the transaction to close in April. The amount of contingent consideration due to the SPG Operating Partnership and the other members will be determined based upon a multiple of annualized December 2003 and December 2004 MerchantWired LLC revenues. If this transaction is not completed, the future of MerchantWired LLC will be impacted unless MerchantWired LLC is able to obtain future capital commitments.

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8. Indebtedness

The SPG Operating Partnership's mortgages and other notes payable consist of the following:

	December 31,	
	2001	2000
Fixed-Rate Debt		
Mortgages and other notes, including \$3,535 and \$3,045 net discounts, respectively. Weighted average interest and maturity of 7.4% and 6.6 years.	\$ 2,182,552	\$ 2,178,926
Unsecured notes, including \$17,167 and \$4,752 net discounts, respectively. Weighted average interest and maturity of 7.1% and 5.3 years.	4,722,833	3,485,248
6 ³ / ₄ % Putable Asset Trust Securities, including \$476 and \$701 premiums, respectively, due November 2003.	100,476	100,701
7% Mandatory Par Put Remarketed Securities, including \$5,083 and \$5,150 premiums, respectively, due June 2028 and subject to redemption June 2008.	205,083	205,150
Commercial mortgage pass-through certificates. Five classes bearing interest at weighted average rates and maturities of 7.3% and 3.0 years.	175,000	175,000
Total fixed-rate debt	7,385,944	6,145,025
Variable-Rate Debt		
Mortgages and other notes, including \$32 and \$375 premiums, respectively. Weighted average interest and maturity of 3.7% and 2.5 years.	\$ 933,038	\$ 757,436
Credit Facility (see below)	188,000	645,000
Merger Facility (see below)	—	925,000
Euro Facility (see below)	50,202	33,192
Commercial mortgage pass-through certificates, interest at 6.2%, due December 2004.	50,000	50,000
Unsecured term loans. Weighted average rates and maturities of 2.7% and 0.7 years.	237,929	172,929
Total variable-rate debt	1,459,169	2,583,557
Fair value interest rate swaps	(3,735)	—
Total mortgages and other notes payable, net	\$ 8,841,378	\$ 8,728,582

General. Certain of the Properties are cross-defaulted and cross-collateralized as part of a group of properties. Under certain of the cross-default provisions, a default under any mortgage included in the cross-defaulted package may constitute a default under all such mortgages and may lead to acceleration of the indebtedness due on each Property within the collateral package. Certain indebtedness is subject to financial performance covenants relating to leverage ratios, annual real property appraisal requirements, debt service coverage ratios, minimum net worth ratios, debt-to-market capitalization, and minimum equity values. Debt premiums and discounts are amortized over the terms of the related debt instruments. Certain mortgages and notes payable may be prepaid but are generally subject to a prepayment of a yield-maintenance premium.

Mortgages and Other Notes. Certain of the Properties are pledged as collateral to secure the related mortgage notes. The net book value of these Properties was \$3.6 billion at December 31, 2001. The fixed

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and variable mortgage notes are nonrecourse. In addition, certain notes have partial guarantees by various limited partner Unitholders of approximately \$559.3 million. The fixed-rate mortgages generally require monthly payments of principal and/or interest. Variable-rate mortgages are typically based on LIBOR.

Unsecured Notes. Certain of the SPG Operating Partnership's unsecured notes totaling \$825.0 million with weighted average interests and maturities of 8.0% and 6.1 years, respectively, are structurally senior in right of payment to holders of other SPG Operating Partnership unsecured notes to the extent of the assets and related cash flows of certain

Properties. Certain of the unsecured notes are guaranteed by the SPG Operating Partnership.

On February 4, 1999, the SPG Operating Partnership completed the sale of \$600.0 million of senior unsecured notes. These notes include two \$300.0 million tranches. The first tranche bears interest at 6.75% and matures on February 4, 2004 and the second tranche bears interest at 7.125% and matures on February 4, 2009. The SPG Operating Partnership used the net proceeds of approximately \$594.0 million to retire the \$450.0 million initial tranche of the Merger Facility (see below) and to pay \$142.0 million on the outstanding balance of the Credit Facility (see below).

On January 11, 2001, the SPG Operating Partnership issued \$500.0 million of unsecured debt to institutional investors pursuant to Rule 144A in two tranches. The first tranche is \$300.0 million bearing an interest rate of 7³/₈% due January 20, 2006 and the second tranche is \$200.0 million bearing an interest rate of 7³/₄% due January 20, 2011. The net proceeds of the offering were used to repay the remaining portion of the indebtedness under the Merger Facility due March 24, 2001 and to repay a portion of the Merger Facility due September 24, 2001.

On August 6, 2001, the SPG Operating Partnership retired the third and final tranche of the Merger Facility totaling \$435.0 million. The SPG Operating Partnership generated the funds used to retire this debt primarily from its \$277.0 million financing of four mall properties at a fixed rate of 6.99%, its \$110.0 million financing of one office complex at LIBOR plus 115 basis points, and excess cash flow.

On October 26, 2001, the SPG Operating Partnership completed the sale of \$750.0 million of 6.375% senior unsecured notes due November 15, 2007. Net proceeds from the offering were initially used to reduce the outstanding balance of the Credit Facility. Ultimately, the SPG Operating Partnership plans to retire mortgage indebtedness on six wholly-owned properties and to retire \$250.0 million of 9% bonds that mature in early 2002 with borrowings from the Credit Facility.

Credit Facility. The Credit Facility is a \$1.25 billion unsecured revolving credit facility. During 1999, the SPG Operating Partnership obtained a three-year extension on the Credit Facility to August of 2002, with an additional one-year extension available at the SPG Operating Partnership's option. The Credit Facility bears interest at LIBOR plus 65 basis points and provides for different pricing based upon our corporate credit rating, with an additional 15 basis point facility fee on the entire \$1.25 billion. The maximum and average amounts outstanding during 2001 under the Credit Facility were \$863.0 million and \$581.5 million, respectively. The Credit Facility is primarily used for funding acquisition, renovation and expansion and predevelopment opportunities. At December 31, 2001, the Credit Facility had an effective interest rate of 2.53%, with \$1.1 billion available after outstanding borrowings and letters of credit. The Credit Facility contains financial covenants relating to a capitalization value, minimum EBITDA and unencumbered EBITDA ratios and minimum equity values.

Merger Facility. In conjunction with the merger with Corporate Property Investors, Inc. ("CPI Merger") in 1998, the SPG Operating Partnership and SPG, as co-borrowers, closed a \$1.4 billion medium

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term unsecured bridge loan (the "Merger Facility"). On August 6, 2001, the SPG Operating Partnership retired the third and final tranche of the Merger Facility totaling \$435.0 million. The SPG Operating Partnership generated the funds used to retire this debt primarily from its \$277.0 million financing of four mall properties at fixed rate of 6.99%, its \$110.0 million financing of one office complex at LIBOR plus 115 basis points, and excess cash flow.

Euro Facility. On July 31, 2000 the SPG Operating Partnership entered into a Euro-denominated unsecured Credit Agreement to fund its European investment. This Credit Agreement consists of a 25 million Euros term loan and a 35 million Euros revolving credit facility. The interest rate for each loan is Euribor plus 60 basis points, with a facility fee of 15 basis points. The interest rate on 30 million Euros is swapped at 7.75%. The maturity date is July 31, 2004 including a one year extension.

Debt Maturity and Other

As of December 31, 2001, scheduled principal repayments on indebtedness were as follows:

2002	\$	665,485
2003		1,358,315
2004		1,532,302
2005		867,941
2006		846,738
Thereafter		3,589,443
		<hr/>
Total principal maturities		8,860,224
Net unamortized debt discounts and other		(18,846)
		<hr/>
Total mortgages and other notes payable	\$	8,841,378
		<hr/>

Cash paid for interest, net of any amounts capitalized, during 2001, 2000 and 1999 was \$588,889, \$646,184, and \$566,156, respectively.

Derivative Financial Instruments

Prior to the adoption of accounting standard SFAS 133 relating to derivatives (refer to Note 13), the SPG Operating Partnership had entered into interest rate protection agreements in the form of "cap" or "swap" arrangements with respect to certain of its mortgages and other notes payable. The total notional amount outstanding under these arrangements was \$213.2 million as of December 31, 2000. The unamortized balance of these agreements was \$248 as of December 31, 2000.

As of December 31, 2001, the SPG Operating Partnership has recorded derivatives at their fair values of \$1.0 million included in other assets, \$10.6 million included in other liabilities, and \$3.7 million in mortgage and other notes payable as appropriate. These derivatives consist of LIBOR and EURIBOR based swaps, caps, collars, and cross-currency interest rate swaps with a total notional amount of \$758.6 million, with maturity dates ranging from July 2003 to January 2005. Joint venture derivatives with a total asset fair value of \$337 consist of interest rate caps with a total notional amount of \$1.0 billion, with maturity dates ranging from January 2002 to May 2006. Within the next twelve months, the SPG Operating Partnership expects to reclassify to earnings approximately \$4.6 million of expense of the current balance held in accumulated other comprehensive income.

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The SPG Operating Partnership's exposure to market risk due to changes in interest rates primarily relates to the SPG Operating Partnership's long-term debt obligations. The SPG Operating Partnership manages exposure to interest rate market risk through its risk management strategy by a combination of interest rate protection agreements to effectively fix or cap a portion of variable rate debt, or in the case of a fair value hedge, effectively convert fixed rate debt to variable rate debt. The SPG Operating Partnership is also exposed to foreign currency risk on financings of certain foreign operations. To manage foreign currency exchange rate risk as part of its risk management strategy, the SPG Operating Partnership has also entered into a foreign currency forward contract. The SPG Operating Partnership's intent is to offset gains and losses that occur on the underlying exposures with gains and losses on the derivative contracts hedging these exposures. The SPG Operating Partnership does not enter into either interest rate protection or foreign currency rate protection agreements for speculative purposes.

Fair Value of Financial Instruments

The carrying value of variable-rate mortgages and other loans represents their fair values. The fair values of fixed-rate mortgages and other notes payable are estimated using cash flows discounted at current borrowing rates and at current market rates, respectively. The fair values of financial instruments and related discount rate assumptions used in the estimate of fair value for fixed-rate mortgages and other notes payable are summarized as follows:

	December 31,	
	2001	2000
Fair value of fixed-rate mortgages and other notes payable	\$ 7,909,049	\$ 6,453,165
Discount rates assumed in calculation of fair value	6.86%	7.17%

9. Rentals under Operating Leases

The SPG Operating Partnership receives rental income from the leasing of retail and mixed-use space under operating leases. Future minimum rentals to be received under noncancelable operating leases for each of the next five years and thereafter, excluding tenant reimbursements of operating expenses and percentage rent based on tenant sales volume, as of December 31, 2001, are as follows:

2002	\$ 1,026,690
2003	955,179
2004	862,562
2005	772,730
2006	676,562
Thereafter	2,234,530
	<u>\$ 6,528,253</u>

Approximately 1.5% of future minimum rents to be received are attributable to leases with an affiliate of a limited partner in the SPG Operating Partnership.

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10. Partners' Equity

Unit Issuances

As described in Note 3, as part of the consideration paid for the NED Acquisition, the SPG Operating Partnership issued 1,269,446 Paired Units valued at approximately \$36,400; 2,584,227 7% Convertible Preferred Units in the SPG Operating Partnership valued at approximately \$72,800; and 2,584,227 8% Redeemable Preferred Units in the SPG Operating Partnership valued at approximately \$78,000. In addition, as part of the NED Acquisition, the SPG Operating Partnership issued 3,617,070 Paired Units to SPG in exchange for a note receivable, which is recorded as a reduction of partners' equity. During 2001, an additional 8,185 Paired Units were issued that were held back at the time of the acquisition pursuant to the resolution of a closing contingency.

Preferred Units

The following table summarizes each of the series of preferred Units of the SPG Operating Partnership:

	As of December 31,	
	2001	2000
Series A 6.5% Convertible Preferred Units, 209,249 units authorized, 49,839 and 51,059 issued and outstanding, respectively	\$ 63,688	\$ 65,246
Series B 6.5% Convertible Preferred Units, 5,000,000 units authorized, 4,830,057 issued and outstanding	449,196	449,196
Series C 7.00% Cumulative Convertible Preferred Units, 2,700,000 units authorized and 2,600,895 and 2,584,227 issued and outstanding, respectively	72,823	72,358
Series D 8.00% Cumulative Redeemable Preferred Units, 2,700,000 units authorized and 2,600,895 and 2,584,227 issued and outstanding, respectively	78,027	77,527
Series E 8.00% Cumulative Redeemable Preferred Units, 1,000,000 units authorized, 1,000,000 issued and outstanding	24,449	24,242
Series F (SPG Properties Series B in 2000) 8.75% Cumulative Redeemable Preferred Units, 8,000,000 units authorized, issued and outstanding, see below	192,989	192,989
Series G (SPG Properties Series C in 2000) 7.89% Cumulative Step-Up Premium Rate SM Convertible Preferred Units, 3,000,000 units authorized, issued and outstanding, see below	147,146	146,877
	<u>\$ 1,028,318</u>	<u>\$ 1,028,435</u>

SPG Properties, Inc. Merger. The Boards of Directors of SPG and SPG Properties, Inc. ("SPG Properties"), a general partner of the SPG Operating Partnership, on May 8, 2001 approved an agreement for the merger of SPG Properties into SPG in order to simplify the organizational structure of the Companies. The merger was completed and became effective on July 1, 2001. SPG previously owned

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99.999% of the common stock of SPG Properties. In the merger, outstanding shares of SPG Properties' preferred stock were converted into shares of SPG preferred stock having substantially identical terms. SPG Properties' Series B preferred stock was converted to Series F preferred stock of SPG and SPG Properties' Series C preferred stock was converted to Series G preferred stock of SPG. SPG holds preferred units in the SPG Operating Partnership with economic terms substantially identical to the corresponding class of SPG preferred stock. The preferred units shown as Series as Series F and G above prior to the merger with SPG Properties represented the preferred units associated with the two classes of SPG Properties preferred stock.

Series A Convertible Preferred Units. During 2001, 1,220 units of the SPG Operating Partnership's Series A Convertible Preferred Units were converted into 46,355 Paired Units. In addition, another 442 Paired Units were issued to the holders of the converted units in lieu of the cash dividends allocable to those preferred units. During 2000, 2,212 Series A Convertible Preferred Units were converted into 84,046 Paired Units. In addition, another 1,242 Paired Units were issued to the holders of the converted units in lieu of the cash dividends allocable to those preferred units. Each of the Series A Convertible Preferred Units has a liquidation preference of \$1,000 and is convertible into 37.995 Paired Units, subject to adjustment under certain circumstances. The Series A Convertible Preferred Units are not redeemable, except as needed to maintain or bring the direct or indirect ownership of the capital stock of SPG into conformity with REIT requirements.

Series B Convertible Preferred Units. Each of the Series B Convertible Preferred Units has a liquidation preference of \$100 and is convertible into 2.586 Paired Units, subject to adjustment under circumstances identical to those of the Series A Preferred Units. SPG may redeem the Series B Preferred Units on or after September 24, 2003 at a price beginning at 105% of the liquidation preference plus accrued dividends and declining to 100% of the liquidation preference plus accrued dividends any time on or after September 24, 2008.

Series C and D Preferred Units. In connection with the NED Acquisition, the SPG Operating Partnership issued two new series of preferred Units during 1999 as a component of the consideration for the Properties acquired. The SPG Operating Partnership authorized 2,700,000, and issued 2,584,227, 7.00% Cumulative Convertible Preferred Units (the "7.00% Preferred Units") having a liquidation value of \$28.00 per Unit. During 2001, an additional 16,668 Units were issued that were held back at the time of acquisition pursuant to the resolution of a closing contingency. The 7.00% Preferred Units accrue cumulative dividends at a rate of \$1.96 annually, which is payable quarterly in arrears. The 7.00% Preferred Units are convertible at the holders' option on or after August 27, 2004, into either a like number of shares of 7.00% Cumulative Convertible Preferred Stock of SPG with terms substantially identical to the 7.00% Preferred Units or Paired Units at a ratio of 0.75676 to one provided that the closing stock price of SPG's Paired Shares exceeds \$37.00 for any three consecutive trading days prior to the conversion date. The SPG Operating Partnership may redeem the 7.00% Preferred Units at their liquidation value plus accrued and unpaid distributions on or after August 27, 2009, payable in Paired Units. In the event of the death of a holder of the 7.00% Preferred Units, or the occurrence of certain tax triggering events applicable to a holder, the SPG Operating Partnership may be required to redeem the 7.00% Preferred Units at liquidation value payable at the option of the SPG Operating Partnership in either cash (the payment of which may be made in four equal annual installments) or Paired Shares.

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The SPG Operating Partnership also authorized 2,700,000, and issued 2,584,227, 8.00% Cumulative Redeemable Preferred Units (the "8.00% Preferred Units") having a liquidation value of \$30.00. During 2001, an additional 16,668 Units were issued that were held back at the time of acquisition pursuant to the resolution of a closing contingency. The 8.00% Preferred Units accrue cumulative dividends at a rate of \$2.40 annually, which is payable quarterly in arrears. The 8.00% Preferred Units are each paired with one 7.00% Preferred Unit or with the Paired Units into which the 7.00% Preferred Units may be converted. The SPG Operating Partnership may redeem the 8.00% Preferred Units at their liquidation value plus accrued and unpaid distributions on or after August 27, 2009, payable in either new preferred units of the SPG Operating Partnership having the same terms as the 8.00% Preferred Units, except that the distribution coupon rate would be reset to a then determined market rate, or in Paired Units. The 8.00% Preferred Units are convertible at the holders' option on or after August 27, 2004, into 8.00% Cumulative Redeemable Preferred Stock of SPG with terms substantially identical to the 8.00% Preferred Units. In the event of the death of a holder of the 8.00% Preferred Units, or the occurrence of certain tax triggering events applicable to a holder, the SPG Operating Partnership may be required to redeem the 8.00% Preferred Units owned by such holder at their liquidation value payable at the option of the SPG Operating Partnership in either cash (the payment of which may be made in four equal annual installments) or Paired Shares.

Series E Cumulative Redeemable Preferred Units. As part of the consideration for the purchase of ownership in Mall of America, SPG issued 1,000,000 shares of Series E Cumulative Redeemable Preferred Stock (the "Series E Preferred Stock") for \$24,242, net of issuance costs. The Series E Preferred Stock is redeemable beginning August 27, 2004 at the liquidation value of \$25 per share. The carrying value is being accreted to the liquidation value over the non-redeemable period. SPG contributed the interest in Mall of America to the SPG Operating Partnership in exchange for cash and the preferred units with economic terms identical to the Series E Preferred Stock.

Series F Cumulative Redeemable Preferred Units. SPG Properties, formerly a general partner of the SPG Operating Partnership, previously had outstanding 8,000,000 shares of 8.75% Series B Cumulative Redeemable Preferred Stock and also held preferred units in the SPG Operating Partnership with economic terms substantially identical to the corresponding class of SPG Properties preferred stock. As part of the merger of SPG and SPG Properties, SPG issued 8,000,000 shares of 8.75% Series F Cumulative Redeemable Preferred Stock (the "Series F Preferred Shares") in exchange for SPG Properties' 8.75% Series B Cumulative Redeemable Stock on a share-for-share basis. The Series F Preferred Shares may be redeemed any time on or after September 29, 2006, at a liquidation value of \$25.00 per share, plus accrued and unpaid dividends. The liquidation value (other than the portion thereof consisting of accrued and unpaid dividends) is payable solely out of the sale proceeds of other capital shares of SPG, which may include other series of preferred shares. SPG holds preferred units in the SPG Operating Partnership with economic terms substantially identical to those of the Series F Preferred Shares.

Series G Cumulative Step-Up Premium RateSM Preferred Units. SPG Properties, formerly a general partner of the SPG Operating Partnership, also previously had outstanding 3,000,000 shares of its 7.89% Series C Cumulative Step-Up Premium RateSM Preferred Stock and also held preferred units in the SPG Operating Partnership with economic terms substantially identical to the corresponding class of SPG Properties preferred stock. As part of the merger of SPG and SPG Properties, SPG issued 3,000,000 shares of 7.89% Series G Cumulative Step-Up Premium RateSM Preferred Stock (the "Series G Preferred Shares") in exchange for SPG Properties' 7.89% Series C Cumulative Step-Up Premium RateSM Preferred Stock on a share-for-share basis. The Series G Preferred Shares have a liquidation value of \$50.00 per

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share. Beginning October 1, 2012, the rate increases to 9.89% per annum. Management intends to redeem the Series G Preferred Shares prior to October 1, 2012. Beginning September 30, 2007, SPG may redeem the Series G Preferred Shares in whole or in part, using only the sale proceeds of other capital stock of SPG, at a liquidation value of \$50.00 per share, plus accrued and unpaid distributions, if any, thereon. Additionally, the Series G Preferred Shares have no stated maturity and are not subject to any mandatory redemption provisions, nor are they convertible into any other securities of SPG. SPG holds preferred units in the SPG Operating Partnership with economic terms substantially identical to those of the Series G Preferred Stock.

Notes Receivable from Former CPI Shareholders

Notes receivable of \$19,113 from former CPI shareholders, which result from securities issued under CPI's executive compensation program and were assumed in the CPI Merger, are reflected as a deduction from capital in excess of par value in the statements of partners' equity in the accompanying financial statements. Certain of such notes totaling \$1,465 bear interest at rates ranging from 6.00% to 7.50% and become due during 2002. The remainder of the notes do not bear interest and become due at the time the underlying Units are sold.

The Simon Property Group 1998 Stock Incentive Plan

The SPG Operating Partnership and SPG have a stock incentive plan (the "1998 Plan"), which provides for the grant of equity-based awards during a ten-year period, in the form of options to purchase Paired Shares ("Options"), stock appreciation rights ("SARs"), restricted stock grants and performance unit awards (collectively, "Awards"). Options may be granted which are qualified as "incentive stock options" within the meaning of Section 422 of the Code and Options which are not so qualified. The Companies have reserved for issuance 6,300,000 Paired Shares under the 1998 Plan. Additionally, the partnership agreements require the Companies to sell Paired Shares to the Operating Partnerships, at fair value, sufficient to satisfy the exercising of stock options, and for the Companies to purchase Paired Units for cash in an amount equal to the fair market value of such Paired Shares.

Administration. The 1998 Plan is administered by SPG's Compensation Committee (the "Committee"). The Committee, in its sole discretion, determines which eligible individuals may participate and the type, extent and terms of the Awards to be granted to them. In addition, the Committee interprets the 1998 Plan and makes all other determinations

deemed advisable for the administration of the 1998 Plan. Options granted to employees ("Employee Options") become exercisable over the period determined by the Committee. The exercise price of an Employee Option may not be less than the fair market value of the Paired Shares on the date of grant. Employee Options generally vest over a three-year period and expire ten years from the date of grant.

Director Options. The 1998 Plan provides for automatic grants of Options to directors ("Director Options") of the Companies who are not also employees of the SPG Operating Partnership or its affiliates ("Eligible Directors"). Under the 1998 Plan, each Eligible Director is automatically granted Director Options to purchase 5,000 Paired Shares upon the director's initial election to the Board of Directors, and upon each reelection, an additional 3,000 Director Options multiplied by the number of calendar years that have elapsed since such person's last election to the Board of Directors. The exercise price of the options is equal to the fair market value of the Paired Shares on the date of grant. Director Options become vested and exercisable on the first anniversary of the date of grant or at such earlier time as a

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"change in control" of the Companies (as defined in the 1998 Plan). Director Options terminate 30 days after the optionee ceases to be a member of the Board of Directors.

Restricted Stock. The 1998 Plan also provides for shares of restricted common stock of the Companies to be granted to certain employees at no cost to those employees, subject to growth targets established by the Compensation Committee (the "Restricted Stock Program"). Restricted stock vests annually in four installments of 25% each beginning on January 1 following the year in which the restricted stock is awarded. The cost of restricted stock grants, which is based upon the stock's fair market value at the time such stock is earned, awarded and issued, is charged to partners' equity and subsequently amortized against earnings of the SPG Operating Partnership over the vesting period. Through December 31, 2001 a total of 2,697,806 Paired Shares, net of forfeitures, were awarded. Information regarding restricted stock awards are summarized in the following table for each of the years presented:

	For the Year Ended December 31,		
	2001	2000	1999
Paired share awards of restricted stock, net of forfeitures	454,726	417,994	537,861
Weighted average grant price	\$ 25.84	\$ 22.94	\$ 25.50
Amortization expense	\$ 11,512	\$ 11,770	\$ 10,601

The SPG Operating Partnership accounts for stock-based compensation programs using the intrinsic value method. This method measures compensation expense as the excess, if any, of the quoted market price of the stock at the grant date over the amount the employee must pay to acquire the stock. Options granted to Directors in 2001 vest over a twelve-month period while the employee options granted in 2001 vest over three years. The impact on pro forma net income and earnings per share as a result of applying the fair value method, as prescribed by SFAS No. 123, *Accounting for Stock-Based Compensation*, which requires entities to measure compensation costs measured at the grant date based on the fair value of the award, was not material.

The fair value of the options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions:

	December 31,		
	2001	2000	1999
Weighted Average Fair Value per Option	\$ 1.82	\$ 1.57	\$ 3.27
Expected Volatility	20.45 – 20.58%	20.00 – 20.01%	19.78 – 19.89%
Risk-Free Interest Rate	4.85 – 5.33%	6.08 – 6.47%	5.25 – 5.78%
Dividend Yield	7.36 – 7.83%	8.68 – 7.76%	5.32 – 6.43%
Expected Life	10 years	10 years	10 years

The weighted average remaining contract life for options outstanding as of December 31, 2001 was 6.78 years.

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Information relating to Director Options and Employee Options from December 31, 1998 through December 31, 2001 is as follows:

	Director Options		Employee Options	
	Options	Option Price per Share (1)	Options	Option Price per Share (1)
Shares under option at December 31, 1998	75,080	\$ 24.11	1,893,907	\$ 24.82
Granted	62,000	26.90	100,000	25.29
Exercised	(5,000)	22.25	(77,988)	23.21
Forfeited	—	N/A	(58,253)	23.48
Shares under option at December 31, 1999	132,080	\$ 25.49	1,857,666	\$ 24.95
Granted	24,000	26.03	726,750	23.41
Exercised	(1,360)	24.63	(43,350)	23.44
Forfeited	—	N/A	(28,000)	23.41
Shares under option at December 31, 2000	154,720	\$ 25.67	2,513,066	\$ 24.55
Granted	26,000	26.09	1,085,836	25.40
Exercised	(11,000)	24.93	(372,226)	22.99
Forfeited	—	N/A	(48,925)	23.94
Shares under option at December 31, 2001	169,720	\$ 25.86	3,177,751	\$ 25.03
Exercise price range		\$ 22.25-\$29.63		\$ 22.25-\$30.38
Options exercisable at December 31, 1999	108,080	\$ 24.69	1,636,833	\$ 24.46

Options exercisable at December 31, 2000	130,720	\$	25.61	1,705,900	\$	24.77
Options exercisable at December 31, 2001	143,720	\$	25.81	1,753,218	\$	25.11

(1) Represents the weighted average price when multiple prices exist.

Exchange Rights

Limited partners in the Operating Partnerships have the right to exchange all or any portion of their Paired Units for Paired shares of common stock on a one-for-one basis or cash, as selected by the Board of Directors. The amount of cash to be paid if the exchange right is exercised and the cash option is selected will be based on the trading price of the Companies' common stock at that time. The Companies have reserved 63,930,350 Paired Shares for possible issuance upon the exchange of Paired Units.

11. Commitments and Contingencies

Litigation

Triple Five of Minnesota, Inc., a Minnesota corporation, v. Melvin Simon, et. al. On or about November 9, 1999, Triple Five of Minnesota, Inc. ("Triple Five") commenced an action in the District Court for the State of Minnesota, Fourth Judicial District, against, among others, Mall of America, certain members of the Simon family and entities allegedly controlled by such individuals, and the SPG Operating Partnership. Two transactions form the basis of the complaint: (i) the sale by Teachers Insurance and Annuity Association of America of one-half of its partnership interest in Mall of America Company and

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Minntertainment Company to the SPG Operating Partnership and related entities (the "Teachers Sale"); and (ii) a financing transaction involving a loan in the amount of \$312,000 obtained from The Chase Manhattan Bank ("Chase") that is secured by a mortgage placed on Mall of America's assets (the "Chase Mortgage"). The complaint, which contains twelve counts, seeks remedies of damages, rescission, constructive trust, accounting, and specific performance. Although the complaint names all defendants in several counts, the SPG Operating Partnership is specifically identified as a defendant in connection with the Teachers Sale. The litigation is currently in the discovery stage. The SPG Operating Partnership believes that the Triple Five litigation is without merit and intends to defend the action vigorously. The SPG Operating Partnership believes that the Triple Five litigation will not have a material adverse effect on the SPG Operating Partnership. Given the early stage of the litigation it is not possible to provide an assurance of the ultimate outcome of the litigation or an estimate of the amount or range of potential loss, if any.

Carlo Agostinelli et al. v. DeBartolo Realty Corp. et al. On October 16, 1996, a complaint was filed in the Court of Common Pleas of Mahoning County, Ohio, captioned *Carlo Agostinelli et al. v. DeBartolo Realty Corp. et al.* The named defendants are SD Property Group, Inc., an indirect 99%-owned subsidiary of SPG, and DeBartolo Properties Management, Inc., a subsidiary of the Management Company, and the plaintiffs are 27 former employees of the defendants. In the complaint, the plaintiffs alleged that they were recipients of deferred stock grants under the DeBartolo Realty Corporation ("DRC") Stock Incentive Plan (the "DRC Plan") and that these grants immediately vested under the DRC Plan's "change in control" provision as a result of the merger with DRC. Plaintiffs asserted that the defendants' refusal to issue them approximately 542,000 shares of DRC common stock, which is equivalent to approximately 370,000 Paired Shares computed at the 0.68 exchange ratio used in the DRC Merger, constituted a breach of contract and a breach of the implied covenant of good faith and fair dealing under Ohio law. Plaintiffs sought damages equal to such number of shares of DRC common stock, or cash in lieu thereof, equal to all deferred stock ever granted to them under the DRC Plan, dividends on such stock from the time of the grants, compensatory damages for breach of the implied covenant of good faith and fair dealing, and punitive damages. The plaintiffs and the defendants each filed motions for summary judgment. On October 31, 1997, the Court of Common Pleas entered a judgment in favor of the defendants granting their motion for summary judgment. The plaintiffs appealed this judgment to the Seventh District Court of Appeals in Ohio. On August 18, 1999, the District Court of Appeals reversed the summary judgment order in favor of the defendants entered by the Common Pleas Court and granted plaintiffs' cross motion for summary judgment, remanding the matter to the Common Pleas Court for the determination of plaintiffs' damages. The defendants petitioned the Ohio Supreme Court asking that they exercise their discretion to review and reverse the Appellate Court decision, but the Ohio Supreme Court did not grant the petition for review. The case was remanded to the Court of Common Pleas of Mahoning County, Ohio, to conduct discovery relevant to each plaintiff's damages and the counterclaims asserted by the SPG Operating Partnership. The Trial Court referred these matters to a Magistrate. Plaintiffs filed a Supplemental Motion for Summary Judgment on the question of damages. The Magistrate ruled on the counterclaims and found in Defendants' favor on one of them. On December 27, 2000, the Trial Court rendered judgment for the plaintiffs in the combined total amount of approximately \$12,000, which includes a set-off of approximately \$2,000 with impact to two of the plaintiffs. Defendants have appealed this judgment and plaintiffs have cross-appealed. The judgment has accrued interest at 10% per annum from and after the DRC Merger Date of August 6, 1996. The SPG Operating Partnership recorded a \$12,000 loss in the third quarter of 1999 related to this litigation as an unusual item. On December 19, 2001, the Court of Appeals affirmed in part, reversed in part and remanded for limited trial with respect to the issues of plaintiffs' entitlement to dividends declared before the merger and with respect to the amount of shares claimed by one of the plaintiffs. The

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Court of Appeals overruled defendants' assignments of error. Defendants have petitioned the Ohio Supreme Court for review. The SPG Operating Partnership believes that established reserves are adequate and the ultimate outcome will not have a material adverse impact on its results of operations.

The SPG Operating Partnership currently is not subject to any other SPG material litigation other than routine litigation, claims and administrative proceedings arising in the ordinary course of business. On the basis of consultation with counsel, management believes that such routine litigation, claims and administrative proceedings will not have a material adverse impact on the SPG Operating Partnership's financial position or its results of operations.

Lease Commitments

As of December 31, 2001, a total of 32 of the consolidated Properties are subject to ground leases. The termination dates of these ground leases range from 2002 to 2090. These ground leases generally require payments by the SPG Operating Partnership of a fixed annual rent, or a fixed annual rent plus a participating percentage over a base rate. Ground lease expense incurred by the SPG Operating Partnership for the years ended December 31, 2001, 2000 and 1999, was \$13,786, \$13,654, and \$13,365, respectively.

Future minimum lease payments due under such ground leases for each of the next five years ending December 31 and thereafter are as follows:

2002	\$	7,317
2003		7,239
2004		6,772
2005		6,804
2006		6,919
Thereafter		475,872
	\$	510,923

Energy management services

On September 30, 1999, Simon Property Group, L.P. entered into a multi-year contract with Enron Energy Services ("Enron") for Enron to supply or manage all of the energy commodity requirements for the wholly-owned properties and many of the SPG Operating Partnership's joint venture partnerships. The contract includes electricity, natural gas and maintenance of energy conversion assets and electrical systems including lighting. As a result of the December bankruptcy filing by Enron, the SPG Operating Partnership assumed total control over the management of its energy assets throughout the Portfolio, including the purchase and payment of utilities and maintenance and repair of energy related equipment. There was no service interruption to the SPG Operating Partnership's malls or tenants and the SPG Operating Partnership does not anticipate adverse financial consequences from the Enron bankruptcy.

Insurance

The SPG Operating Partnership's portfolio-wide general liability and property insurance policies expired on December 31, 2001. The SPG Operating Partnership renewed these policies, the cost of which is predominantly passed through to tenants, at similar coverage levels, but at price increases aggregating

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approximately 30% due to the impacts of September 11, 2001. All of the Portfolio Properties have insurance coverage for 2002. The exception to coverage levels is in the area of terrorism, which is excluded in the SPG Operating Partnership's new property coverage. Management believes that the SPG Operating Partnership is in compliance with all insurance provisions of its debt agreements even though the SPG Operating Partnership lacks terrorism insurance coverage.

Environmental Matters

Nearly all of the Properties have been subjected to Phase I or similar environmental audits. Such audits have not revealed nor is management aware of any environmental liability that management believes would have a material adverse impact on the SPG Operating Partnership's financial position or results of operations. Management is unaware of any instances in which it would incur significant environmental costs if any or all Properties were sold, disposed of or abandoned.

12. Related Party Transactions

On April 1, 2001, the SPG Operating Partnership became the managing general partner of SPG Administrative Services Partnership L.P. ("ASP"). In addition, the SPG Operating Partnership acquired an additional 24% partnership interest in ASP from the Management Company. Prior to acquiring the additional interest, ASP was recapitalized with \$29.1 million from the Management Company, which was funded by the SPG Operating Partnership through the note receivable from the Management Company, and \$0.2 million from the SPG Operating Partnership which was funded through a reduction of ASP's note payable with the SPG Operating Partnership. The SPG Operating Partnership gained control of ASP as a result of the transactions and ASP is consolidated in the SPG Operating Partnership's results since April 1, 2001. ASP was previously consolidated as part of the Management Company. The change in control and consolidation of ASP will not have a material impact on the results of operations of the SPG Operating Partnership and the other aspects of the transaction were not material. ASP employs the majority of the SPG Operating Partnership's employees and was organized to provide services for the Management Company and its affiliates as well as multiple entities controlled by the SPG Operating Partnership.

On December 28, 2000, Montgomery Ward LLC and certain of its related entities ("Ward") filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. On March 1, 2001, Kimco Realty Corporation lead the formation of a limited liability company, Kimsward LLC ("Kimsward"). Kimsward acquired the right from the Bankruptcy Court to designate persons or entities to whom the Ward real estate assets were to be sold. The Management Company's interest in Kimsward was 18.5%. During 2001 the Management Company recorded \$18.3 million of equity in income from Kimsward. In addition, the SPG Operating Partnership charged the Management Company a \$5.7 million fee for services rendered to the Management Company in connection with the Kimsward transactions, which is included in other income in the accompanying statements of operations. The remaining investment in Kimsward at December 31, 2001 is not material.

The SPG Operating Partnership transferred its \$2.2 million note receivable from the SRC Operating Partnership to the Management Company in exchange for an increase in the note receivable from the Management Company to the SPG Operating Partnership.

13. New Accounting Pronouncements

On July 20, 2001, the FASB issued SFAS No. 141, "Business Combinations" and SFAS No. 142 "Goodwill and Other Intangible Assets." SFAS 141 further clarifies the criteria to recognize intangible

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assets separately from goodwill and requires the purchase method of accounting for all acquisitions. SFAS 141 is effective for the SPG Operating Partnership for any business combination that is completed after June 30, 2001. SFAS No. 142 requires that goodwill is no longer amortized but are reviewed annually, or more frequently if impairment indicators arise, for impairment. The amortization provisions of SFAS 142 apply to goodwill and intangible assets acquired by the SPG Operating Partnership after June 30, 2001. With respect to goodwill and intangible assets acquired prior to July 1, 2001, the SPG Operating Partnership is required to adopt SFAS 142 on January 1, 2002 at which time amortization of the remaining book value of goodwill will cease and the new impairment-only approach will apply and may not be applied retroactively. The SPG Operating Partnership does not expect any impairment on goodwill from the adoption of SFAS 142 and the impact of SFAS 142 will be to eliminate the amortization of goodwill thereby increasing the SPG Operating Partnership's income before allocation to limited partners by approximately \$1.2 million annually.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" that supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed of." In addition, SFAS No. 144 supersedes the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations—Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions" for the disposal of a segment of a business. SFAS No. 144 is a broad statement that provides a framework for the evaluation of impairment of long-lived assets, the treatment for assets held for sale or to be otherwise disposed of, and the reporting of discontinued operations. The effective date for adoption of SFAS No. 144 is January 1, 2002. The SPG Operating Partnership is currently evaluating the impact of SFAS No. 144. SFAS No. 144 will also require the SPG Operating Partnership to reclassify the results of operations of properties sold which are not already classified as held for sale out of operating income into discontinued operations for all years presented.

On January 1, 2001 the SPG Operating Partnership adopted SFAS 133 "Accounting for Derivative Instruments and Hedging Activities," as amended in June of 2000 by SFAS 138, "Accounting for Derivative Instruments and Hedging Activities." SFAS 133, as amended, establishes accounting and reporting standards for derivative instruments and requires the SPG Operating Partnership to record on the balance sheet all derivative instruments at fair value and to recognize certain non-cash changes in these fair values either in the income statement or other comprehensive income, as appropriate under SFAS 133. SFAS 133 currently impacts the accounting for the SPG Operating Partnership's interest rate and foreign currency rate risk protection agreements.

On adoption of SFAS 133, the SPG Operating Partnership recorded the difference between the fair value of the derivative instruments and the previous carrying amount of those derivatives on its balance sheet and in net income or other comprehensive income, as appropriate, as the cumulative effect of a change in accounting principle in accordance with APB 20 "Accounting Changes." On adoption, the SPG Operating Partnership's net fair value of derivatives was (\$2.0) million, of which \$3.1 million was recorded in other liabilities and \$1.1 million was recorded in other assets. In addition, \$2.0 million of unrecognized loss was recorded in other comprehensive income as a cumulative effect of accounting change and an expense of \$1.7 million was recorded as a cumulative effect of accounting change in the statement of operations, which includes the SPG Operating Partnership's \$1.5 million share of joint venture cumulative effect of accounting change.

On December 3, 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101 ("SAB 101"), which addressed certain revenue recognition policies, including the accounting for

overage rent by a landlord. SAB 101 requires overage rent to be recognized as revenue only when each tenant's sales exceeds its sales threshold. The SPG Operating Partnership previously recognized overage rent based on reported and estimated sales through the end of the period, less the applicable prorated base sales amount. The SPG Operating Partnership adopted SAB 101 effective January 1, 2000 and recorded a loss from the cumulative effect of an accounting change of \$12.3 million in the first quarter of 2000, which includes the SPG Operating Partnership's \$1.8 million share from unconsolidated entities.

14. Quarterly Financial Data (Unaudited)

Consolidated summarized quarterly 2001 and 2000 data is as follows:

2001	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total revenue	\$ 487,209	\$ 484,569	\$ 496,447	\$ 565,085
Operating income	208,433	208,947	214,698	199,903(1)
Income before unusual item, extraordinary items, and cumulative effect of accounting change	62,724	69,803	69,884	78,622
Net income available to Unitholders	41,630	50,457	50,330	59,634
Net income before extraordinary items per Unit—Basic and Diluted (1)	\$ 0.19	\$ 0.21	\$ 0.21	\$ 0.25
Net income per Unit—Basic and Diluted (1)	\$ 0.18	\$ 0.21	\$ 0.21	\$ 0.25
Weighted Average Units Outstanding	235,271,163	235,708,099	235,964,645	236,045,560
Diluted weighted Average Units Outstanding	235,448,117	236,027,715	236,249,803	236,325,629

(1) – The fourth quarter of 2001 includes an impairment charge of \$47.0 million.

2000	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total revenue	\$ 473,465	\$ 484,450	\$ 490,474	\$ 552,322
Operating income	208,601	207,948	221,525	259,308(2)
Income before unusual item, extraordinary items, and cumulative effect of accounting change	71,909	77,782	78,368	125,299
Net income available to Unitholders	39,786	58,414	59,034	105,754
Net income before extraordinary items per Unit – Basic and Diluted (1)	\$ 0.22	\$ 0.25	\$ 0.25	\$ 0.44
Net income per Unit – Basic and Diluted (1)	\$ 0.17	\$ 0.25	\$ 0.25	\$ 0.44
Weighted Average Units Outstanding	236,995,130	237,439,435	236,491,268	235,229,750
Diluted weighted Average Units Outstanding	237,040,394	237,582,451	236,593,972	235,332,395

(2) – The second quarter of 2000 includes an impairment charge of \$10.6 million.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SIMON PROPERTY GROUP, L.P.

By: Simon Property Group, Inc.,
Managing General Partner

By: /s/ DAVID SIMON

David Simon
Chief Executive Officer

March 29, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Capacity	Date
/s/ DAVID SIMON _____ David Simon	Chief Executive Officer and Director (Principal Executive Officer)	March 29, 2002
/s/ HERBERT SIMON _____ Herbert Simon	Co-Chairman of the Board of Directors	March 29, 2002
/s/ MELVIN SIMON _____ Melvin Simon	Co-Chairman of the Board of Directors	March 29, 2002
/s/ HANS C. MAUTNER _____ Hans C. Mautner	Vice Chairman of the Board of Directors	March 29, 2002
/s/ RICHARD SOKOLOV _____ Richard Sokolov	President, Chief Operating Officer and Director	March 29, 2002
/s/ MELVYN E. BERGSTEIN _____ Melvyn E. Bergstein	Director	March 29, 2002

Melvyn E. Bergstein

/s/ BIRCH BAYH Director

Birch Bayh March 29, 2002

/s/ PIETER S. VAN DEN BERG Director

Pieter S. van den Berg March 29, 2002

/s/ G. WILLIAM MILLER Director

G. William Miller March 29, 2002

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/s/ FREDRICK W. PETRI Director

Fredrick W. Petri March 29, 2002

/s/ J. ALBERT SMITH Director

J. Albert Smith March 29, 2002

/s/ PHILIP J. WARD Director

Philip J. Ward March 29, 2002

/s/ M. DENISE DEBARTOLO YORK Director

M. Denise DeBartolo York March 29, 2002

/s/ STEPHEN E. STERRETT Executive Vice President and Chief Financial Officer
(Principal Financial Officer) March 29, 2002

Stephen E. Sterrett

/s/ JOHN DAHL Senior Vice President
(Principal Accounting Officer) March 29, 2002

John Dahl

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**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS
ON SCHEDULE**

To Simon Property Group, Inc.:

We have audited in accordance with auditing standards generally accepted in the United States, the consolidated financial statements of SIMON PROPERTY GROUP, L.P. included in this Form 10-K and have issued our report thereon dated March 28, 2002. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule, "Schedule III: Real Estate and Accumulated Depreciation", as of December 31, 2001, is the responsibility of Simon Property Group, L.P.'s management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. The schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Indianapolis, Indiana
March 28, 2002.

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**SIMON PROPERTY GROUP, LP
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2001**

SCHEDULE III

(Dollars in thousands)

Name, Location	Encumbrances	Initial Cost (Note 3)		Cost Capitalized Subsequent to Acquisition		Gross Amounts At Which Carried At Close of Period			Accumulated Depreciation (2)	Date of Construction
		Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total (1)		
Regional Malls										
Alton Square, Alton, IL	\$ 0	\$ 154	\$ 7,641	\$ 0	\$ 11,634	\$ 154	\$ 19,275	\$ 19,429	\$ 4,805	1993
Amigoland Mall, Brownsville, TX	0	1,045	1,318	0	919	1,045	2,237	3,282	2,607	1974
Anderson Mall, Anderson, SC	27,500	1,712	18,072	1,363	4,587	3,075	22,659	25,734	8,326	1972
Arsenal Mall, Watertown, MA	35,900	14,500	44,763	0	524	14,500	45,287	59,787	2,829	1999 (Note 4)
Arsenal Mall HCHP, Watertown, MA	0	1,005	2,917	0	0	1,005	2,917	3,922	181	1999 (Note 4)
Aurora Mall, Aurora, CO	0	11,400	55,692	0	4,080	11,400	59,772	71,172	5,897	1998 (Note 4)

Barton Creek Square, Austin, TX	0	4,414	20,699	771	41,614	5,185	62,313	67,498	15,217	1981
Battlefield Mall, Springfield, MO	88,553	3,919	27,310	3,225	38,930	7,144	66,240	73,384	21,759	1970
Bay Park Square, Green Bay, WI	24,848	6,864	25,623	1,620	3,447	8,484	29,070	37,554	4,791	1996 (Note 4)
Bergen Mall, Paramus, NJ	0	10,918	92,893	0	8,508	10,918	101,401	112,319	15,533	1996 (Note 4)
Billmore Square, Asheville, NC	26,000	6,641	23,582	0	1,433	6,641	25,015	31,656	3,717	1996 (Note 4)
Bowie Town Center, Bowie, MD	47,611	3,358	570	4	64,474	3,362	65,044	68,406	657	2001
Boynton Beach Mall, Boynton Beach, FL	0	22,240	79,226	0	12,693	22,240	91,919	114,159	11,946	1996 (Note 4)
Brea Mall, Brea, CA	0	39,500	209,202	0	7,097	39,500	216,299	255,799	20,067	1998 (Note 4)
Broadway Square, Tyler, TX	0	11,470	32,439	0	4,895	11,470	37,334	48,804	8,157	1994
Brunswick Square, East Brunswick, NJ	45,000	8,436	55,838	0	21,538	8,436	77,376	85,812	10,964	1996 (Note 4)
Burlington Mall, Burlington, MA	0	46,600	303,618	0	3,621	46,600	307,239	353,839	28,586	1998 (Note 4)
Castleton Square, Indianapolis, IN	0	27,536	98,287	2,500	30,350	30,036	128,637	158,673	17,805	1996 (Note 4)
Century III Mall, Pittsburgh, PA	66,000	17,251	117,822	10	2,353	17,261	120,175	137,436	39,870	1999 (Note 4)
Charlottesville Fashion Square, Charlottesville, VA	0	0	54,738	0	4,747	0	59,485	59,485	7,216	1997 (Note 4)
Chautauqua Mall, Jamestown, NY	0	3,257	9,641	0	14,631	3,257	24,272	27,529	4,485	1996 (Note 4)
Cheltenham Square, Philadelphia, PA	34,226	14,227	43,699	0	4,193	14,227	47,892	62,119	8,001	1996 (Note 4)
Chesapeake Square, Chesapeake, VA	47,000	11,534	70,461	0	4,248	11,534	74,709	86,243	11,583	1996 (Note 4)
Cielo Vista Mall, El Paso, TX	91,845	1,307	18,512	608	20,729	1,915	39,241	41,156	15,598	1974
College Mall, Bloomington, IN	51,067	1,012	16,245	722	20,946	1,734	37,191	38,925	13,245	1965
Columbia Center, Kennewick, WA	0	18,285	66,580	0	6,553	18,285	73,133	91,418	10,724	1996 (Note 4)
Cordova Mall, Pensacola, FL	0	18,633	75,880	0	1,931	18,633	77,811	96,444	9,012	1998 (Note 4)
Cottonwood Mall, Albuquerque, NM	0	11,585	68,958	0	1,325	11,585	70,283	81,868	14,373	1996
Crossroads Mall, Omaha, NE	0	881	37,263	409	29,994	1,290	67,257	68,547	13,630	1994
Crystal River Mall, Crystal River, FL	16,158	5,661	20,241	0	4,371	5,661	24,612	30,273	3,183	1996 (Note 4)
DeSoto Square, Bradenton, FL	38,880	9,380	52,716	0	6,408	9,380	59,124	68,504	9,465	1996 (Note 4)
Eastern Hills Mall, Buffalo, NY	0	15,444	47,604	12	4,609	15,456	52,213	67,669	8,761	1996 (Note 4)
Eastland Mall, Tulsa, OK	20,670	3,124	24,035	518	7,553	3,642	31,588	35,230	9,600	1986
Edison Mall, Fort Myers, FL	0	11,529	107,381	0	5,298	11,529	112,679	124,208	13,803	1997 (Note 4)
Fashion Mall at Keystone at the Crossing, Indianapolis, IN	62,163	0	120,579	0	7,061	0	127,640	127,640	14,749	1997 (Note 4)
Forest Mall, Fond Du Lac, WI	17,486	728	4,498	0	6,423	728	10,921	11,649	3,593	1973
Forest Village Park, Forestville, MD	21,850	1,212	4,625	757	4,722	1,969	9,347	11,316	3,258	1980

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SIMON PROPERTY GROUP, LP
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2001

SCHEDULE III

(Dollars in thousands)

Name, Location	Encumbrances	Initial Cost (Note 3)		Cost Capitalized Subsequent to Acquisition		Gross Amounts At Which Carried At Close of Period			Accumulated Depreciation (2)	Date of Construction
		Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total (1)		
Great Lakes Mall, Cleveland, OH	0	13,023	100,362	432	6,134	13,455	106,496	119,951	16,917	1996 (Note 4)
Greenwood Park Mall, Greenwood, IN	92,999	2,559	23,445	5,277	58,682	7,836	82,127	89,963	22,249	1979
Gulf View Square, Port Richey, FL	35,777	13,690	39,997	0	10,558	13,690	50,555	64,245	7,877	1996 (Note 4)
Haywood Mall, Greenville, SC	0	11,604	133,893	6	516	11,610	134,409	146,019	20,749	1999 (Note 4)
Heritage Park, Midwest City, OK	0	598	6,213	0	1,977	598	8,190	8,788	3,701	1978
Hutchinson Mall, Hutchison, KS	15,490	1,439	18,411	0	3,425	1,439	21,836	23,275	7,225	1985
Independence Center, Independence, MO	0	5,539	45,822	2	18,642	5,541	64,464	70,005	12,650	1994
Ingram Park Mall, San Antonio, TX	84,065	764	17,163	169	15,395	933	32,558	33,491	11,706	1979
Irving Mall, Irving, TX	0	6,737	17,479	2,533	25,621	9,270	43,100	52,370	16,057	1971
Jefferson Valley Mall, Yorktown Heights, NY	60,000	4,868	30,304	0	7,222	4,868	37,526	42,394	11,719	1983
Knoxville Center, Knoxville, TN	63,659	5,006	21,965	3,712	34,792	8,718	56,757	65,475	13,800	1984
Lakeline Mall, N. Austin, TX	70,503	12,122	81,568	14	777	12,136	82,345	94,481	13,033	1999 (Note 4)
La Plaza, McAllen, TX	0	1,375	9,828	6,569	30,121	7,944	39,949	47,893	7,198	1976
Lafayette Square, Indianapolis, IN	0	14,251	54,589	0	11,044	14,251	65,633	79,884	9,463	1996 (Note 4)
Laguna Hills Mall, Laguna Hills, CA	0	28,074	55,689	0	4,293	28,074	59,982	88,056	7,488	1997 (Note 4)
Lenox Square, Atlanta, GA	0	38,213	492,411	0	3,913	38,213	496,324	534,537	46,113	1998 (Note 4)
Lima Mall, Lima, OH	0	7,910	35,495	0	6,307	7,910	41,802	49,712	6,912	1996 (Note 4)
Lincolnwood Town Center, Lincolnwood, IL	0	9,368	63,490	28	186	9,396	63,676	73,072	18,115	1990
Livingston Mall, Livingston, NJ	0	30,200	105,250	0	5,147	30,200	110,397	140,597	10,084	1998 (Note 4)
Longview Mall, Longview, TX	27,600	270	3,602	124	7,390	394	10,992	11,386	3,698	1978
Machesney Park Mall, Rockford, IL	0	614	3,438	120	4,249	734	7,687	8,421	4,640	1979
Markland Mall, Kokomo, IN	9,835	0	7,568	0	5,198	0	12,766	12,766	3,422	1968
Mc Cain Mall, N. Little Rock, AR	42,100	0	9,515	0	8,615	0	18,130	18,130	8,309	1973
Melbourne Square, Melbourne, FL	37,816	15,762	55,891	0	5,840	15,762	61,731	77,493	9,131	1996 (Note 4)
Memorial Mall, Sheboygan, WI	0	175	4,881	0	2,760	175	7,641	7,816	2,072	1969
Menlo Park Mall, Edison, NJ	0	65,684	223,252	0	7,748	65,684	231,000	296,684	28,507	1997 (Note 4)
Miami International Mall, Miami, FL	44,669	13,794	69,701	8,953	14,145	22,747	83,846	106,593	30,920	1996 (Note 4)
Midland Park Mall, Midland, TX	38,808	687	9,213	0	8,708	687	17,921	18,608	6,842	1980
Miller Hill Mall, Duluth, MN	0	2,537	18,113	0	19,401	2,537	37,514	40,051	8,899	1973
Mission Viejo Mall, Mission Viejo, CA	148,073	9,139	54,445	7,491	145,053	16,630	199,498	216,128	22,589	1996 (Note 4)
Mounds Mall, Anderson, IN	0	0	2,689	0	2,213	0	4,902	4,902	4,106	1965
Muncie Mall, Muncie, IN	0	172	5,964	52	22,536	224	28,500	28,724	6,205	1970
Nanuet Mall, Nanuet, NY	0	27,548	162,993	0	1,527	27,548	164,520	192,068	15,345	1998 (Note 4)
North East Mall, Hurst, TX	149,007	1,347	13,473	16,683	146,146	18,030	159,619	177,649	20,484	1996 (Note 4)
North Towne Square, Toledo, OH	23,113	579	8,377	0	1,877	579	10,254	10,833	8,623	1980
Northgate Mall, Seattle, WA	0	32,550	115,314	0	22,365	32,550	137,679	170,229	13,639	1996 (Note 4)
Northlake Mall, Atlanta, GA	73,438	33,400	98,035	0	1,205	33,400	99,240	132,640	9,337	1998 (Note 4)
Northwoods Mall, Peoria, IL	0	1,203	12,779	1,449	28,419	2,652	41,198	43,850	13,741	1983
Oak Court Mall, Memphis, TN	0	15,673	57,304	0	3,324	15,673	60,628	76,301	7,709	1997 (Note 4)
Orange Park Mall, Jacksonville, FL	0	13,345	65,121	0	16,829	13,345	81,950	95,295	16,330	1994
Orland Square, Orland Park, IL	0	36,770	129,906	0	8,066	36,770	137,972	174,742	16,200	1997 (Note 4)

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SIMON PROPERTY GROUP, LP
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2001

SCHEDULE III

(Dollars in thousands)

Name, Location	Encumbrances	Initial Cost (Note 3)		Cost Capitalized Subsequent to Acquisition		Gross Amounts At Which Carried At Close of Period			Accumulated Depreciation (2)	Date of Construction
		Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total (1)		
Paddock Mall, Ocala, FL	28,455	11,198	39,712	0	5,981	11,198	45,693	56,891	6,222	1996 (Note 4)
Palm Beach Mall, West Palm Beach, FL	47,058	11,962	112,741	0	35,288	11,962	148,029	159,991	26,187	1998 (Note 4)
Phipps Plaza, Atlanta, GA	0	19,200	210,610	0	4,365	19,200	214,975	234,175	20,189	1998 (Note 4)

Port Charlotte Town Center, Port Charlotte, FL	53,250	5,561	59,381	0	10,438	5,561	69,819	75,380	11,056	1996 (Note 4)
Prien Lake Mall, Lake Charles, LA	0	1,842	2,813	3,091	35,288	4,933	38,101	43,034	8,488	1972
Raleigh Springs Mall, Memphis, TN	11,000	9,137	28,604	0	12,520	9,137	41,124	50,261	5,753	1996 (Note 4)
Randall Park Mall, Cleveland, OH	40,000	4,200	27,756	0	18,022	4,200	45,778	49,978	10,721	1996 (Note 4)
Richardson Square, Dallas, TX	0	4,867	6,329	1,075	12,066	5,942	18,395	24,337	3,611	1996 (Note 4)
Richmond Towne Square, Cleveland, OH	58,646	2,666	12,112	0	60,610	2,666	72,722	75,388	9,471	1996 (Note 4)
Richmond Square, Richmond, IN	0	3,410	11,343	0	9,567	3,410	20,910	24,320	3,605	1996 (Note 4)
River Oaks Center, Calumet City, IL	0	30,884	101,224	0	5,184	30,884	106,408	137,292	12,443	1997 (Note 4)
Rockaway Townsquare, Rockaway, NJ	0	49,186	212,257	0	5,144	49,186	217,401	266,587	20,039	1998 (Note 4)
Rolling Oaks Mall, North San Antonio, TX	0	2,577	38,609	0	2,091	2,577	40,700	43,277	15,898	1998 (Note 4)
Roosevelt Field, Garden City, NY	0	165,006	702,008	2,117	7,595	167,123	709,603	876,726	65,782	1998 (Note 4)
Ross Park Mall, Pittsburgh, PA	0	14,557	50,995	9,617	63,062	24,174	114,057	138,231	21,458	1996 (Note 4)
Santa Rosa Plaza, Santa Rosa, CA	0	10,400	87,864	0	2,821	10,400	90,685	101,085	8,610	1998 (Note 4)
South Hills Village, Pittsburgh, PA	0	23,453	125,840	0	3,907	23,453	129,747	153,200	15,158	1997 (Note 4)
South Park Mall, Shreveport, LA	25,572	855	13,684	74	2,407	929	16,091	17,020	7,449	1975
South Shore Plaza, Braintree, MA	0	101,200	301,495	0	4,614	101,200	306,109	407,309	28,696	1998 (Note 4)
Southern Park Mall, Youngstown, OH	0	16,982	77,767	97	17,317	17,079	95,084	112,163	15,689	1996 (Note 4)
Southgate Mall, Yuma, AZ	0	1,817	7,974	0	3,498	1,817	11,472	13,289	3,736	1988
St Charles Towne Center Waldorf, MD	0	8,853	52,974	1,180	11,842	10,033	64,816	74,849	20,001	1990
Summit Mall, Akron, OH	0	15,374	51,137	0	14,926	15,374	66,063	81,437	9,845	1996 (Note 4)
Sunland Park Mall, El Paso, TX	38,258	2,896	28,900	0	4,044	2,896	32,944	35,840	11,966	1988
Tacoma Mall, Tacoma, WA	134,778	38,662	125,826	0	18,731	38,662	144,557	183,219	21,810	1996 (Note 4)
Tippecanoe Mall, Lafayette, IN	59,214	4,187	8,474	5,517	35,027	9,704	43,501	53,205	16,774	1973
Town Center at Boca Raton Boca Raton, FL	0	64,200	307,511	0	57,125	64,200	364,636	428,836	31,647	1998 (Note 4)
Towne East Square, Wichita, KS	76,354	9,495	18,479	2,042	18,246	11,537	36,725	48,262	13,279	1975
Towne West Square, Wichita, KS	55,028	972	21,203	76	7,725	1,048	28,928	29,976	10,718	1980
Treasure Coast Square, Jensen Beach, FL	62,441	11,124	73,108	3,067	16,060	14,191	89,168	103,359	13,096	1996 (Note 4)
Tyrone Square, St. Petersburg, FL	0	15,638	120,962	0	13,894	15,638	134,856	150,494	20,877	1996 (Note 4)
University Mall, Little Rock, AR	0	123	17,411	0	1,000	123	18,411	18,534	6,559	1967
University Mall, Pensacola, FL	0	4,741	26,657	0	4,387	4,741	31,044	35,785	6,937	1994
University Park Mall, South Bend, IN	59,500	15,105	61,283	0	13,143	15,105	74,426	89,531	49,405	1996 (Note 4)
Upper Valley Mall, Springfield, OH	30,940	8,421	38,745	0	2,784	8,421	41,529	49,950	6,928	1996 (Note 4)
Valle Vista Mall, Harlingen, TX	40,463	1,398	17,159	372	8,937	1,770	26,096	27,866	8,461	1983
Virginia Center Commons, Richmond, VA	0	9,764	50,547	4,149	6,145	13,913	56,692	70,605	9,386	1996 (Note 4)
Walt Whitman Mall, Huntington Station, NY	0	51,700	111,170	3,789	28,671	55,489	139,841	195,330	18,219	1998 (Note 4)
Washington Square, Indianapolis, IN	33,541	20,146	41,248	0	8,540	20,146	49,788	69,934	8,067	1996 (Note 4)

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SIMON PROPERTY GROUP, LP
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2001

SCHEDULE III

(Dollars in thousands)

Name, Location	Encumbrances	Initial Cost (Note 3)		Cost Capitalized Subsequent to Acquisition		Gross Amounts At Which Carried At Close of Period			Accumulated Depreciation (2)	Date of Construction
		Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total (1)		
West Ridge Mall, Topeka, KS	44,288	5,649	34,132	197	6,536	5,846	40,668	46,514	11,633	1988
Westminster Mall, Westminster, CA	0	45,200	84,709	0	9,281	45,200	93,990	139,190	8,463	1998 (Note 4)
White Oaks Mall, Springfield, IL	16,500	3,024	35,692	1,153	16,010	4,177	51,702	55,879	12,280	1977
Windsor Park Mall, San Antonio, TX	12,179	1,082	16,929	130	3,047	1,212	19,976	21,188	10,096	1976
Woodville Mall, Toledo, OH	0	1,831	4,254	0	1,033	1,831	5,287	7,118	4,519	1996 (Note 4)
<i>Community Shopping Centers</i>										
Arboretum, The, Austin, TX	34,000	7,640	36,778	71	3,585	7,711	40,363	48,074	3,698	1998 (Note 4)
Bloomingtondale Court, Bloomingtondale, IL	29,333	8,748	26,184	0	4,776	8,748	30,960	39,708	8,411	1987
Boardman Plaza, Youngstown, OH	18,277	8,189	26,355	0	4,694	8,189	31,049	39,238	4,561	1996 (Note 4)
Bridgeview Court, Bridgeview, IL	0	290	3,638	0	809	290	4,447	4,737	1,398	1988
Brightwood Plaza, Indianapolis, IN	0	65	128	0	273	65	401	466	185	1965
Celina Plaza, El Paso, TX	0	138	815	0	99	138	914	1,052	304	1978
Charles Towne Square, Charleston, SC	0	418	1,768	425	11,136	843	12,904	13,747	1,338	1976
Chesapeake Center, Chesapeake, VA	6,563	5,352	12,279	0	109	5,352	12,388	17,740	1,944	1996 (Note 4)
Countryside Plaza, Countryside, IL	0	1,243	8,507	0	751	1,243	9,258	10,501	3,325	1977
Eastgate Consumer Mall, Indianapolis, IN	0	418	4,222	190	2,663	608	6,885	7,493	3,576	1991
Eastland Plaza, Tulsa, OK	0	908	3,680	0	47	908	3,727	4,635	992	1986
Forest Plaza, Rockford, IL	16,088	4,187	16,818	453	1,454	4,640	18,272	22,912	3,995	1985
Fox River Plaza, Elgin, IL	0	2,908	4,042	0	106	2,908	4,148	7,056	2,245	1985
Glen Burnie Mall, Glen Burnie, MD	0	7,422	13,778	0	2,912	7,422	16,690	24,112	4,254	1996 (Note 4)
Great Lakes Plaza, Cleveland, OH	0	1,028	2,025	0	3,596	1,028	5,621	6,649	1,155	1996 (Note 4)
Greenwood Plus, Greenwood, IN	0	1,212	1,792	0	3,777	1,212	5,569	6,781	1,414	1979
Griffith Park Plaza, Griffith, IN	0	0	2,412	0	186	0	2,598	2,598	1,362	1979
Grove at Lakeland Square, The, Lakeland, FL	3,750	5,237	6,016	0	1,025	5,237	7,041	12,278	1,256	1996 (Note 4)
Highland Lakes Center, Orlando, FL	12,877	7,138	25,303	0	479	7,138	25,782	32,920	3,331	1996 (Note 4)
Ingram Plaza, San Antonio, TX	0	421	1,802	4	21	425	1,823	2,248	810	1980
Keystone Shoppes, Indianapolis, IN	0	0	4,232	0	843	0	5,075	5,075	512	1997 (Note 4)
Knoxville Commons, Knoxville, TN	0	3,731	5,345	0	1,787	3,731	7,132	10,863	1,896	1987
Lake Plaza, Waukegan, IL	0	2,703	6,420	0	480	2,703	6,900	9,603	1,536	1986
Lake View Plaza, Orland Park, IL	21,386	4,775	17,543	0	6,833	4,775	24,376	29,151	4,461	1986
Lakeline Plaza, Austin, TX	23,447	4,867	25,732	0	6,594	4,867	32,326	37,193	3,881	1999 (Note 4)
Lima Center, Lima, OH	0	1,808	5,151	0	4,026	1,808	9,177	10,985	829	1996 (Note 4)
Lincoln Crossing, O'Fallon, IL	3,239	1,047	2,692	0	259	1,047	2,951	3,998	652	1990
Mainland Crossing, Galveston, TX	1,603	1,609	1,737	0	214	1,609	1,951	3,560	397	1996 (Note 4)
Markland Plaza, Kokomo, IN	0	210	1,258	0	546	210	1,804	2,014	688	1974
Martinsville Plaza, Martinsville, VA	0	0	584	0	50	0	634	634	586	1967
Matteson Plaza, Matteson, IL	9,418	1,830	9,737	0	2,185	1,830	11,922	13,752	2,930	1988
Memorial Plaza, Sheboygan, WI	0	250	436	0	1,109	250	1,545	1,795	583	1966
Mounds Mall Cinema, Anderson, IN	0	88	158	0	1	88	159	247	81	1974
Muncie Plaza, Muncie, IN	8,142	463	10,626	0	96	463	10,722	11,185	1,373	1998
New Castle Plaza, New Castle, IN	0	128	1,621	0	1,286	128	2,907	3,035	1,047	1966

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SIMON PROPERTY GROUP, LP
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2001

SCHEDULE III

(Dollars in thousands)

Name, Location	Encumbrances	Initial Cost (Note 3)		Cost Capitalized Subsequent to Acquisition		Gross Amounts At Which Carried At Close of Period			Accumulated Depreciation (2)	Date of Construction
		Land	Buildings and Improvements	Land	Buildings and Improvements	Land	Buildings and Improvements	Total (1)		

North Ridge Plaza, Joliet, IL	0	2,831	7,699	0	652	2,831	8,351	11,182	2,015	1985
North Riverside Park Plaza, N. Riverside, IL	7,041	1,062	2,490	0	637	1,062	3,127	4,189	1,340	1977
Northland Plaza, Columbus, OH	0	4,490	8,893	0	1,233	4,490	10,126	14,616	2,169	1988
Northwood Plaza, Fort Wayne, IN	0	284	2,885	0	599	284	3,484	3,768	1,372	1974
Park Plaza, Hopkinsville, KY	0	300	1,572	0	225	300	1,797	2,097	1,059	1968
Regency Plaza, St. Charles, MO	4,414	616	4,963	0	170	616	5,133	5,749	1,118	1988
Rockaway Convenience Center Rockaway, NJ	0	2,900	12,500	0	91	2,900	12,591	15,491	1,188	1998 (Note 4)
Shops at North East Plaza, The, Hurst, TX	0	8,988	2,198	3,955	36,042	12,943	38,240	51,183	3,174	1999
St. Charles Towne Plaza, Waldorf, MD	28,254	8,779	18,993	0	369	8,779	19,362	28,141	4,750	1987
Teal Plaza, Lafayette, IN	0	99	878	0	2,928	99	3,806	3,905	818	1962
Terrace at The Florida Mall, Orlando, FL	4,688	2,150	7,623	0	1,061	2,150	8,684	10,834	1,734	1996 (Note 4)
The Shops at Bowie	0	0	0	231	4,423	231	4,423	4,654	25	2001
Tippecanoe Plaza, Lafayette, IN	0	265	440	305	4,965	570	5,405	5,975	1,547	1974
University Center, South Bend, IN	0	2,388	5,214	0	443	2,388	5,657	8,045	5,594	1996 (Note 4)
Wabash Village, West Lafayette, IN	0	0	976	0	214	0	1,190	1,190	486	1970
Washington Plaza, Indianapolis, IN	0	941	1,697	0	177	941	1,874	2,815	1,503	1996 (Note 4)
Waterford Lakes, Orlando, FL	66,689	0	1,114	9,326	79,084	9,326	80,198	89,524	6,150	1999
West Ridge Plaza, Topeka, KS	5,690	1,491	4,560	0	662	1,491	5,222	6,713	1,199	1988
White Oaks Plaza, Springfield, IL	17,365	3,265	14,267	0	673	3,265	14,940	18,205	3,258	1986
Wichita Mall, Wichita, KS	0	0	4,535	0	1,231	0	5,766	5,766	2,486	1969
Wood Plaza, Fort Dodge, IA	0	45	380	0	867	45	1,247	1,292	460	1968
Specialty Retail Centers										
The Forum Shops at Caesars, Las Vegas, NV	175,000	0	72,866	0	59,967	0	132,833	132,833	32,309	1992
Trolley Square, Salt Lake City, UT	29,522	4,827	27,539	435	9,795	5,262	37,334	42,596	10,057	1986
Office, Mixed-Use Properties and Other										
Net Lease Properties, Various	133	4,952	0	0	0	4,952	0	4,952	0	
New Orleans Centre/CNG Tower, New Orleans, LA	0	3,493	41,222	0	10,920	3,493	52,142	55,635	8,556	1996 (Note 4)
O Hare International Center, Rosemont, IL	0	125	60,287	1	9,465	126	69,752	69,878	25,283	1988
Riverway, Rosemont, IL	110,000	8,739	129,175	16	10,862	8,755	140,037	148,792	50,067	1991
Development Projects										
Other	0	790	1,771	12,003	2,795	12,793	4,566	17,359	0	
Corporate, Indianapolis, IN	0	2,865	2,585	280	30,582	3,145	33,167	36,312	58	
	\$ 3,344,093	\$ 1,829,052	\$ 8,856,680	\$ 131,571	\$ 2,115,663	\$ 1,960,623	\$ 10,972,343	\$ 12,932,966	\$ 1,813,795	

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SIMON PROPERTY GROUP, L.P.

NOTES TO SCHEDULE III AS OF DECEMBER 31, 2001

(Dollars in thousands)

(1) Reconciliation of Real Estate Properties:

The changes in real estate assets for the years ended December 31, 2001, 2000, and 1999 are as follows:

	2001	2000	1999
Balance, beginning of year	\$ 12,793,847	\$ 12,566,070	\$ 11,603,771
Acquisitions and Consolidations	—	—	475,166
Improvements	237,525	343,239	544,956
Disposals	(51,406)	(104,890)	(57,823)
Impairment Charge	(47,000)	(10,572)	—
Balance, close of year	\$ 12,932,966	\$ 12,793,847	\$ 12,566,070

The unaudited aggregate cost for the SPG Operating Partnership for federal income tax purposes as of December 31, 2001 was \$9,105,384. The impairment write-down is described in Note 4 of the Notes to Financial Statements in Part IV of this Form 10-K.

(2) Reconciliation of Accumulated Depreciation:

The changes in accumulated depreciation and amortization for the years ended December 31, 2001, 2000, and 1999 are as follows:

	2001	2000	1999
Balance, beginning of year	\$ 1,433,673	\$ 1,066,200	\$ 688,955
Acquisitions and Consolidations	—	—	32,793
Depreciation expense	415,950	392,330	351,473
Disposals	(35,828)	(24,857)	(7,021)
Balance, close of year	\$ 1,813,795	\$ 1,433,673	\$ 1,066,200

Depreciation of the SPG Operating Partnership's investment in buildings and improvements reflected in the statements of operations is calculated over the estimated original lives of the assets as follows:

- Buildings and Improvements - typically 35 years, 15 years for landscaping and parking lot, and 10 years for HVAC equipment.
- Tenant Inducements - shorter of lease term or useful life

(3) Initial cost represents net book value at December 20, 1993 except for acquired properties. Impairment write-downs are a reduction to initial cost.

(4) Not developed/constructed by the SPG Operating Partnership or its predecessors. The date of construction represents acquisition date.

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INDEX TO EXHIBITS

Exhibits	Page
2.1	Form of Joint Purchase Agreement among Westfield American Limited Partnership, Simon Property Group, L.P. and The Rouse Company
2.2	Form of Purchase Agreement by and among Rodamco North America N.V; Westfield America Limited Partnership; Westfield Growth, LP; Simon Property Group, L.P.; Hoosier Acquisition, LLC; The Rouse Company; and Terrapin Acquisition LLC
3.1	Seventh Amended and Restated Limited Partnership Agreement of the SPG Operating Partnership (Incorporated by reference to Exhibit 3.1 of its Annual Report on Form 10-K for 2001 Filed by the SPG Operating Partnership).
3.2	Certificate of Powers, Designations, Preferences and Rights of the 7.00% Series C Cumulative Convertible Preferred Units, \$0.0001 Par Value (incorporated by reference to Exhibit 3.1 of the Form 10-Q filed by the SPG Operating Partnership on November 15, 1999).
3.3	Certificate of Powers, Designations, Preferences and Rights of the 8.00% Series D Cumulative Redeemable Preferred Units, \$0.0001 Par Value (incorporated by reference to Exhibit 3.2 of the Form 10-Q filed by the SPG Operating Partnership on November 15, 1999).
3.4	Certificate of Powers, Designations, Preferences and Rights of the 8.00% Series E Cumulative Redeemable Preferred Units, \$0.0001 Par Value (incorporated by reference to Exhibit 3.3 of the Form 10-Q filed by the SPG Operating Partnership on November 15, 1999).
4.1(a)	Indenture, dated as of November 26, 1996, by and among the SPG Operating Partnership and The Chase Manhattan Bank, as trustee (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-3 filed on October 21, 1996 (Reg. No. 333-11491)).
4.2(a)	Supplemental Indenture, dated as of June 22, 1998, by and among the SPG Operating Partnership and The Chase Manhattan Bank, as trustee, (incorporated by reference to Exhibit 4.2 to the Registration Statement of Simon DeBartolo Group, L.P. on Form S-4 filed on September 18, 1998 (Reg. No. 333-63645)).
10.1	Third Amended and Restated Credit Agreement Dated as of August 25, 1999 (incorporated by reference to Exhibit 10.1 of the Form 10-Q filed by the SPG Operating Partnership on November 15, 1999).
10.2	Credit Agreement dated March 24, 2000 (incorporated by reference to Exhibit 4.1 of the Form 10-Q filed by the SPG Operating Partnership on November 14, 2000).
10.3	Credit Agreement dated September 22, 2000 (incorporated by reference to Exhibit 4.2 of the Form 10-Q filed by the SPG Operating Partnership on November 14, 2000).
10.4	Limited Partnership Agreement of SPG Realty Consultants, L.P. (incorporated by reference to Exhibit 4.2 of the Form 8-K filed by the Companies on October 9, 1998).
10.5(b)	The SPG Operating Partnership 1998 Stock Incentive Plan (incorporated by reference to Exhibit 10.5 of the Form S-4 filed by CPI on August 13, 1998 (Reg. No. 333-61399)).
10.6(c)	Option Agreement to acquire the Excluded Retail Properties (Previously filed as Exhibit 10.10).
10.7(c)	Option Agreement to acquire the Excluded Properties-Land (Previously filed as Exhibit 10.11).

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10.8(c)	Option Agreements dated as of December 1, 1993 between the Management Company and Simon Property Group LP. (Previously filed as Exhibit 10.20.)	
10.9(c)	Option Agreement dated as of December 1, 1993 to acquire Development Land. (Previously filed as Exhibit 10.22.)	
10.10(c)	Option Agreement dated December 1, 1993 between the Management Company and Simon Property Group L.P. (Previously filed as Exhibit 10.25.)	
10.11	Purchase Option and Right of First Refusal Agreement between DRP, LP and EJDC (for SouthPark Center Development Site) (Incorporated by reference to the 1994 DRC Form 10-K Exhibit 10(p)(2).)	
10.12	Acquisition Option Agreement between DRP, LP and Lakeland Square Associates (for Lakeland Square) (Incorporated by reference to the 1994 DRC Form 10-K Exhibit 10(s)(2).)	
10.13	Limited Partnership Agreement of SDG Macerich Properties, L.P. (Incorporated by reference to Exhibit 10.63 of SDG's 1997 Form 10-K).	
10.14	Credit Agreement dated February 28, 2002	
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- (a) Does not include supplemental indentures which authorize the issuance of debt securities which do not exceed 10% of the total assets of the Registrant on a consolidated basis. The Registrant agrees to file copies of any such supplemental indentures upon the request of the Commission.
- (b) Represents a management contract, or compensatory plan, contract or arrangement required to be filed pursuant to Regulation S-K.
- (c) Incorporated by reference to the exhibit indicated filed with the Annual Report on Form 10-K for the year ended December 31, 1993 by Simon Property Group, L.P., a predecessor of the SPG Operating Partnership.

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Joint Purchase Agreement (this "AGREEMENT"), dated as of January ____, 2002, among Westfield America Limited Partnership, a Delaware limited partnership ("WALLABY"), Simon Property Group, L.P., a Delaware limited partnership ("HOOSIER"), and The Rouse Company, a Maryland corporation ("TERRAPIN").

W I T N E S S E T H :
- - - - -

WHEREAS, simultaneously with the signing of this Agreement, Wallaby, Westfield Growth, LP, Hoosier, Hoosier Acquisition, LLC, Terrapin and Terrapin Acquisition LLC are entering into the Purchase Agreement (as the same may be amended from time to time in accordance with the terms hereof and thereof, the "PURCHASE AGREEMENT") and the Protocol (as defined in the Purchase Agreement) pursuant to which they agreed to purchase substantially all the assets of Rodamco North America, N.V., an investment company with variable capital, incorporated under the laws of The Netherlands ("TARGET"); and

WHEREAS, Wallaby, Hoosier and Terrapin desire to set forth certain agreements relating to their rights and obligations under the Purchase Agreement.

NOW, THEREFORE, in order to induce each other to enter into the Purchase Agreement and in consideration of the premises and the mutual agreements and covenants hereinafter set forth, Wallaby, Hoosier and Terrapin hereby agree as follows:

ARTICLE I

DEFINED TERMS

1.01 DEFINED TERMS. Capitalized terms used herein without definition shall have the meanings ascribed to them in the Purchase Agreement. In addition, the following terms shall have the meanings ascribed thereto in this Section 1.01:

(a) "ASSETS TO BE SOLD" means the properties or assets reflected on the Master Schedule under the heading "Assets to be Sold."

(b) "DEFAULT PERCENTAGE" means the Gross Asset Value of the Purchaser/Target JV Assets that a Non-Purchasing Party is required to purchase pursuant to Section 3.02(c), divided by the Gross Asset Value of all of the Assets of Target and the Target Subsidiaries to be purchased under the Purchase Agreement (including any Assets to be Sold that have not been sold by Target (or the applicable Target Subsidiary) prior to the Closing, Three Party Assets and properties and assets that are allocated to the

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Purchasing Party(ies)). As of the date of this Agreement, the Gross Asset Value of all of the Assets of Target and the Target Subsidiaries to be purchased is \$5,438,205,000.

(c) "GP" means Head Acquisition, L.P., a Delaware limited partnership.

(d) "GROSS ASSET VALUE" means, with respect to each property or asset, the amount listed under the heading "RNA Share of Gross Asset Value" on the Master Schedule. For purposes of Section 2.02(d) only, "Gross Asset Value" shall be the amount set forth on the Master Schedule attached hereto as EXHIBIT A and shall not be recalculated prior to the Closing. For all purposes of this Agreement, "Gross Asset Value" does not include the amount of any indebtedness with respect to any Asset to be Sold other than River Ridge, South Square and 745 Fifth Avenue.

(e) "HOOSIER ASSETS" means the properties or assets reflected on the Master Schedule under the heading of "Simon Assets".

(f) "JOINTLY OWNED ALLOCATED ASSETS" means any Wallaby Asset, Hoosier Asset or Terrapin Asset that is jointly owned by the parties in accordance with the principles set forth in this Agreement or as otherwise agreed to by all of the Purchasers.

(g) "MASTER SCHEDULE" means the "Master Schedule" attached hereto as EXHIBIT A, as the same may be revised (i) from time to time, (A) to take into account properties or assets becoming Three Party Assets pursuant to Section 2.02(d) hereof, (B) any change in the allocation of a property or asset in accordance with Section 3.02(c) or Section 3.02(e), or (C) as agreed to by all of the Purchasers, and (ii) immediately prior to Closing, in accordance with the methodologies employed in preparing the Master Schedule attached to this Agreement to reflect changes in equity, debt, the amount of unallocated indebtedness of Target and Target Subsidiaries that is to be repaid at the Closing (as determined in accordance with Section 2.02(c) and as set forth on the Master Schedule under "Share of Corporate Debt" (under the heading "Allocation of Value")), RNA ownership and interest rates used to determine entries in the Master Schedule, except that no changes shall be made to "cap

rates" and NOI in the calculations of the updated Master Schedule. (All revisions to the Master Schedule pursuant to clause (ii) of this definition shall require the approval of all of the Purchasers, which approval will not be unreasonably withheld, conditioned or delayed so long as the proposed revisions are consistent with the provisions of clause (ii). Notwithstanding the foregoing, if the pending ground rent dispute with respect to San Francisco Centre is resolved prior to the Closing, the NOI reflected in the Master Schedule with respect to San Francisco Centre will be revised to reflect such resolution.)

Each party hereby acknowledges and agrees that the entries in the Master Schedule are relevant solely for purposes of determining their respective aggregate obligations under the Purchase Agreement and under this Agreement. However, each

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party may have valued each of the assets or properties allocated to it at an amount different from that set forth in the Master Schedule and the Master Schedule shall not be an admission as to the valuation of any property or asset.

(h) "MINIMUM PRICE" shall have the meaning set forth in a schedule to be agreed to by all of Wallaby, Hoosier and Terrapin.

(i) "PERCENTAGE INTEREST" means 43.359% (in the case of Wallaby), 29.315% (in the case of Hoosier) and 27.326% (in the case of Terrapin), in each case, as shown on the Master Schedule attached hereto as EXHIBIT A as of the date of this Agreement. The Purchaser's respective Percentage Interests will be revised from time to time based on changes to the Master Schedule made in accordance with the terms hereof.

(j) "PURCHASER/TARGET JV ASSET" means (i) Garden State Plaza, with respect to Wallaby, (ii) Coral Square, Miami International, West Town Mall and Florida Mall, with respect to Hoosier, and (iii) Collin Creek, Perimeter Mall and Willowbrook, with respect to Terrapin.

(k) "TERRAPIN ASSETS" means the properties or assets reflected on the Master Schedule under the heading of "Rouse Assets".

(l) "THREE PARTY ASSETS" means the properties or assets reflected on the Master Schedule under the heading "Three Party Assets", together with any other Assets (other than the Wallaby Assets, the Hoosier Assets, the Terrapin Assets and the Assets to be Sold) to which Purchasers are entitled (and purchase) under the Purchase Agreement.

(m) "URBAN OP" means Urban Shopping Centers, L.P., an Illinois limited partnership.

(n) "URBAN RETAIL" means Urban Retail Properties Co.

(o) "WALLABY ASSETS" means the properties or assets reflected on the Master Schedule under the heading of "Westfield Assets".

ARTICLE II

THE ASSETS

2.01 ALLOCATION OF ASSETS; PURCHASE PRICE.

(a) Subject to the terms and conditions of the Purchase Agreement, Wallaby, Hoosier and Terrapin agree that (i) Hoosier (or one or more of its designees) shall purchase the Hoosier Assets; (ii) Terrapin (or one or more of its designees) shall purchase the Terrapin Assets; (iii) Wallaby (or one or more of its designees) shall

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purchase the Wallaby Assets; and (iv) the Three Party Assets and the Assets to be Sold shall be purchased by Wallaby, Hoosier and Terrapin (or one or more of their respective affiliates) through the GP or as otherwise agreed to by all of the Purchasers). The aggregate cash purchase price shall be determined in accordance with the Purchase Agreement and, at the Closing, the amounts payable by each of Wallaby, Hoosier and Terrapin, as the case may be, shall be an amount equal to (A) such Purchaser's "Share of Cash Consideration to RNA Shareholders" (as set forth on the Master Schedule) plus (B) such party's Percentage Interest in any and all other amounts payable by Purchasers pursuant to the Purchase Agreement (including, without limitation, the Additional Amount, if any, and any amounts payable as of the Closing Date pursuant to Section 5.7(a) of the Purchase Agreement). For purposes of illustration, if the Master Schedule as of the Closing Date is identical to the Master Schedule attached hereto as EXHIBIT A and the Purchasers were obligated to pay an additional \$50,000,000 pursuant to clause (B), then (x) Wallaby would be required to pay the euro ((euro)) equivalent of \$975,112,000 plus \$21,679,500 (i.e. 43.359% of \$50,000,000), (y) Hoosier would be required to pay the euro ((euro)) equivalent of \$715,517,000 plus \$14,657,500 (i.e. 29.315% of \$50,000,000), (z) Terrapin would be required to pay the euro ((euro)) equivalent of \$541,432,000 plus \$13,663,000 (i.e. 27.326% of \$50,000,000). All such amounts shall be paid in cash by each of Wallaby, Hoosier and Terrapin in euros to the extent required by the Purchase Agreement. To the extent currency fluctuation results in an increase or decrease in the amounts payable under the Purchase Agreement relating to the allocations based on dollars (U.S.) in the Master Schedule, then the obligation of each of

Wallaby, Hoosier and Terrapin to pay its portion of the purchase price in euros shall be increased or decreased under this Section 2.01(a) to reflect such currency fluctuation.

(b) If a direct or indirect transfer of any property or asset identified as a Wallaby Asset, a Hoosier Asset or a Terrapin Asset to Wallaby (or its designee(s)), Hoosier (or its designee(s)) or Terrapin (or its designee(s)), as the case may be, is determined not to be the most efficient structure for the transaction or cannot be accomplished based on existing contractual limitations, then Wallaby, Hoosier and Terrapin shall cooperate in arranging the sale or other transfer of ownership of such property or asset, or of the entity owned by Target which directly or indirectly owns the relevant property or asset, to the party which otherwise would have purchased the property or asset. However, if such entity is to own properties and/or assets allocated to two or more of Wallaby, Terrapin and Hoosier, then such properties and/or assets shall be jointly owned by an entity created in accordance with this Agreement or as otherwise agreed to by the affected Purchasers. It is currently expected that an arrangement of the type described in this Section 2.01(b) will be required with respect to the properties and other assets of the Urban OP, the Three Party Assets and any of the Assets to be Sold that are not sold by Target prior to the Closing. Wallaby, Hoosier and Terrapin (or their designees) shall contribute cash for the purchase of any such entity in the manner described in this Agreement or as otherwise agreed to by all of the Purchasers prior to the Closing. Wallaby, Hoosier and Terrapin shall cooperate in establishing the structure of

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such jointly owned entities in order to avoid unnecessary expense and to minimize any adverse financial or tax consequences of these entities.

(c) Wallaby, Hoosier and Terrapin shall use their reasonable best efforts to sell the Assets to be Sold as soon as practicable, in accordance with the provisions of the Purchase Agreement. Wallaby, Hoosier and Terrapin shall consult and cooperate with one another in connection with the sale of the Assets to be Sold, and in determining the terms and conditions of the sale contracts with respect to the Assets to be Sold. The consent of all of Wallaby, Hoosier and Terrapin shall be required for any agreement to sell an Assets to be Sold; provided, however, that the parties agree that, following the completion of the marketing program agreed upon by the Purchasers and subject to the terms of the Purchase Agreement, any Asset to be Sold may be sold to a third party that is not affiliated with any of the Purchasers at the request of any of Wallaby, Hoosier or Terrapin at a cash price equal to at least 95% of the Minimum Price regardless of the objections of any other Purchaser(s). In the event that more than one Purchaser desires to invoke the immediately preceding sentence, a majority of the Purchasers shall determine the collective actions to be taken by the Purchasers. In the event that an Asset to be Sold is sold to a third party after the Closing, the net proceeds from such sale shall be distributed to Wallaby, Hoosier and Terrapin (or shall reduce their obligation to fund their cash purchase price, if the sale is completed prior to the Closing), based on their respective Percentage Interests. Decisions regarding brokers and similar matters relating to the process by which purchasers are solicited for any Asset to be Sold shall require the consent of any two of Wallaby, Hoosier and Terrapin.

2.02 LIABILITIES; TRANSFER TAXES; REPAYMENT OF DEBT; REDEMPTION OF URBAN PREFERRED; DAMAGED ASSETS; INTANGIBLE ASSETS; OTHER MATTERS.

(a) ASSUMPTION OF LIABILITIES; ALLOCATION OF LIABILITIES; TRANSFER TAXES. Wallaby (or its designee(s)) shall assume (or take subject to) all liabilities and obligations specifically related to the Wallaby Assets (including mortgage and secured debt), Terrapin (or its designee(s)) shall assume (or take subject to) all liabilities and obligations specifically related to the Terrapin Assets (including mortgage and secured debt) and Hoosier (or its designee(s)) shall assume (or take subject to) all liabilities and obligations specifically related to the Hoosier Assets (including mortgage and secured debt) (all such liabilities and obligations, "ASSET SPECIFIC LIABILITIES"). For purposes of this Section 2.02(a), all interest rate swaps, caps, treasury locks and other derivatives and hedges shall be allocated to the debt to which these instruments or arrangements relate and the costs of unwinding these instruments or arrangements shall be borne in accordance with this allocation. Transfer taxes, transfer fees, lender consent fees and other similar amounts payable to third parties in connection with the transfer of any property or asset pursuant to the Purchase Agreement shall be allocated to the party to whom such property or asset is allocated regardless of whether that property or asset is acquired by such party directly or is held as a Jointly Owned Allocated Asset.

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(b) UNALLOCATED LIABILITIES. Except as set forth in this Agreement, liabilities under the Purchase Agreement which are not Asset Specific Liabilities shall be assumed or paid at the Closing based on the Percentage Interests of Wallaby, Hoosier and Terrapin. These liabilities shall include the obligations of Purchasers under Section 5.11 of the Purchase Agreement and debt issued by Target or any Target Subsidiary that is not an Asset Specific Liability to the extent not repaid by Target on or prior to the Closing. Obligations under Section 5.7 of the Purchase Agreement shall be allocated to Wallaby, Hoosier or Terrapin in accordance with their Percentage Interests except to the extent that employees are clearly allocable solely to a Wallaby Asset, a Hoosier Asset or a Terrapin Asset, in which case, Wallaby, Hoosier or Terrapin, as appropriate, shall assume such obligation.

(c) REPAYMENT OF UNALLOCATED DEBT AT CLOSING. If the Purchasers unanimously elect, or are required by one or more third parties, to repay at the Closing any indebtedness of Target or any Target Subsidiary (other than Asset Specific Liabilities, which shall be the sole and exclusive responsibility of the party to which the property or asset in question has been allocated), at the Closing, each of Wallaby, Hoosier and Terrapin shall pay in cash its Percentage Interest of the indebtedness to be repaid. For these purposes, "indebtedness" shall be deemed to include the costs of unwinding any interest rate swaps, caps, treasury locks and other derivatives and hedges associated with the indebtedness that is being repaid. Each of Wallaby, Hoosier and Terrapin hereby acknowledges and agrees that the indebtedness described on Exhibit B attached hereto will be repaid by the Purchasers in connection with the Closing. Any Non-Purchasing Party (as defined in Section 3.02(b)) shall, without duplication of amounts required to be paid pursuant to Section 3.02(c), pay in cash at the Closing its Default Percentage multiplied by the aggregate amount of the indebtedness to be repaid in accordance with this Section 2.02(c).

(d) CONVERSION OF DAMAGED ASSETS TO THREE PARTY ASSETS. If any Wallaby Asset, Terrapin Asset or Hoosier Asset suffers Damages (as defined below) prior to the Closing, but the Purchasers are obligated to consummate the transactions contemplated by the Purchase Agreement, then, at the election of the Purchaser to which the damaged property or asset has been allocated, such damaged property or asset shall be purchased as a Three Party Asset with each of Wallaby, Hoosier and Terrapin contributing to the purchase price for such property or asset in proportion to their respective Percentage Interests (as adjusted to reflect the operation of this Section 2.02(d)). "Damages" shall mean a change in the value of a property or asset of at least 5% of the Gross Asset Value with respect to such property or asset to the extent not covered by insurance, including casualty loss, claims or obligations relating to environmental or tax liability, and litigation unrelated to tenants, employees or the operation of such property or asset consistent with current use, but shall exclude changes resulting from (i) tenant bankruptcies, changes in occupancy rates, changes in rent rolls in the ordinary course of Target's business (as opposed to inaccuracies in Target's representations or warranties in the Purchase Agreement with respect to the Rent Rolls),

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or collectability of rents associated with that property or asset, (ii) general changes in the economy or financial markets in the United States or any region outside the United States, (iii) changes in Law that affect real estate investment trusts generally, unless such changes have a materially disproportionate effect relative to other properties or assets, and (iv) changes that affect the retail industry or retail real estate properties generally, unless such changes have a disproportionate effect relative to the other properties or assets. In no event (y) will "Damages" include, or be deemed to include, any change in the NOI of San Francisco Centre that results from the resolution of the pending ground rent dispute with the ground lessor, and (z) will Wallaby be entitled to convert San Francisco Centre to a Three Party Asset as a result of such dispute or the resolution thereof.

2.03 INTANGIBLE PROPERTY. All trademarks, service marks, trade dress, logos, trade names and corporate names, whether or not registered, including all common law rights thereto, and registrations and applications for registration thereof, and all other intangible property relating to an property or asset shall become the property of the party acquiring the property or asset. Prior to the Closing, the parties will identify any intangible property, such as management information systems, which may be used in connection with more than one property or asset, and will enter into a mutually satisfactory agreement for the joint use of such property.

2.04 OTHER ASSET-RELATED MATTERS.

(a) TERMINATION OF PROPERTY MANAGEMENT AGREEMENTS. To the extent permitted under agreements with third parties, as soon as reasonably practicable after the Closing, if requested by a party to whom a specific property or asset has been allocated (i.e. a Wallaby Asset, a Hoosier Asset or a Terrapin Asset), the parties shall cooperate so that the existing management agreements relating to such property or asset shall be terminated (without the need for prior notice or payment of any termination fee) and the party to whom such property or asset is allocated shall have the right to enter into new management agreements with such parties as it may choose.

(b) ACCOUNTING PRIOR TO CLOSING; CLOSING ADJUSTMENTS. The Purchasers will endeavor to cause Target and the Target Subsidiaries to account for all items of income and expense relating to the Wallaby Assets, the Hoosier Assets and the Terrapin Assets on a property-by-property basis. To the extent not reflected on the Master Schedule (or the assumptions underlying the entries therein), all capital expenditures after the date hereof with respect to Wallaby Assets, Hoosier Assets and Terrapin Assets will be allocated to, and borne by, the Purchaser to which such asset is allocated. In connection with the Closing, the Purchasers will make customary closing adjustments with respect to the Wallaby Assets, the Hoosier Assets and the Terrapin Assets. All such allocations will be made in a manner to be agreed upon by Wallaby, Hoosier and Terrapin such that, to the maximum extent practicable, each Purchaser derives the benefits and bears the burdens (financial or otherwise) of the properties and/or assets that

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have been allocated to it. After the Closing, the Purchasers will make

appropriate payments to one another to reflect any revisions to such closing adjustments; provided, however, that no such revisions shall be made after March 31, 2003.

ARTICLE III

CONSENTS; CERTAIN DECISIONS

3.01 CONSENTS. All consents, approvals or waivers to be given by the Purchasers under the Purchase Agreement shall require the consent of all of Wallaby, Hoosier and Terrapin, in each case in accordance with the provisions of the Purchase Agreement; provided, however, that any consents, approvals or waivers that relate exclusively to a Wallaby Asset, a Hoosier Asset or a Terrapin Asset shall be given by Wallaby, Hoosier or Terrapin, respectively, and shall not require the consent or approval of the other parties (unless the liabilities assumed by any non-consenting party would be increased, in which case, that affected non-consenting party's consent also shall be required). Any amendment to the Purchase Agreement shall require the consent of all of Wallaby, Hoosier and Terrapin.

3.02 CLOSING CONDITIONS.

(a) The decision as to whether a condition under Section 7.1 of the Purchase Agreement shall be waived shall require the consent of all of Wallaby, Hoosier and Terrapin, except as otherwise set forth herein.

(b) Subject to Sections 3.02(c) and 3.02(e) below, if Wallaby, Hoosier and Terrapin (acting in good faith) do not all agree as to whether a condition under Section 7.1 of the Purchase Agreement is satisfied or whether a termination right is available to Purchasers under Article VIII of the Purchase Agreement, and if the party (or parties) which does not believe that the condition is satisfied or which believes that such termination right is available (individually or collectively, as the case may be, the "NON-CONSENTING PARTY") does not waive such condition or desires to exercise such termination right, then the Non-Consenting Party shall have the right to terminate the Purchase Agreement, if and when such termination right is available to the Purchasers pursuant to Article VIII of the Purchase Agreement provided the requirements of the following two sentence are satisfied. Each of the Purchasers hereby agrees that if it desires to terminate the Purchase Contract in accordance with this Section 3.02(b), such Non-Consenting Party shall immediately deliver to all of the other Purchasers written notice of its intention to terminate the Purchase Agreement pursuant to this Section 3.02(b) (a "SECTION 3.02(b) TERMINATION NOTICE"). If any single Purchaser does not (or any two Purchasers do not) notify the Non-Consenting Party in writing of its (or their) election to proceed under Section 3.02(c) (such notice, a "SECTION 3.02(b) NEGATION NOTICE") within five (5) business days (or such shorter period of time as is (i) reasonable in light of the

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scheduled closing date and the Purchasers' ability to postpone the Closing and (ii) specified in the Section 3.02(b) Termination Notice) after their receipt of a Section 3.02(b) Termination Notice, then the Non-Consenting Party will have the right to terminate the Purchase Agreement.

The Non-Consenting Party hereby agrees to indemnify and hold harmless the other parties from all claims by third parties (including, without limitation, Target) arising out of the termination of the Purchase Agreement by the Non-Consenting Party. The Non-Consenting Party shall have the right, at its cost and expense, to defend any such claim and to settle any such claim relating to or arising out of the termination of the Purchase Agreement. The Non-Consenting Party shall have full control of the defense against these claims. If any indemnified party wishes, it may participate at its own cost, but not control, the defense or settlement of any such claim. The Non-Consenting Party shall not be liable for any settlement effected without its consent. The Non-Consenting Party shall not settle any claim unless (i) the terms of such settlement do not impose any obligations on any indemnified party, (ii) the full amount of the monetary settlement will be paid by the Non-Consenting Party, and (iii) each indemnified party receives as part of the settlement a full and unconditional release of its liabilities with respect to the claim. If the Non-Consenting Party obtains a judicial determination (which is not subject to appeal) that there is no liability or other amounts payable to the Target arising out of the termination of the Purchase Agreement, then each of the other parties to this Agreement shall reimburse the Non-Consenting Party for the product of (i) the out-of-pocket expenses of the Non-Consenting Party in connection with the defense of the claims relating to the termination of the Purchase Agreement and (ii) such party's Percentage Interest.

(c) Except as set forth in this Section 3.02(c) and subject to Section 3.02(e), if any of the parties is unable or unwilling (including any unwillingness to waive a condition under Section 7.1 of the Purchase Agreement) to consummate the transactions contemplated by the Purchase Agreement or if any of the Purchasers is a Non-Consenting Party (individually or collectively, as the case may be, the "NON-PURCHASING PARTY"), the other parties (individually or collectively, as the case may be, the "PURCHASING PARTY") shall have the right to purchase all the Assets of Target as contemplated under the Purchase Agreement. In that case, (i) except as set forth in this Section 3.02(c), the Non-Purchasing Party shall be relieved of all of its obligations under this Agreement and the Purchase Agreement and (ii) the Purchasing Party will indemnify, defend and hold the Non-Purchasing Party harmless from and against any and all liability arising from or relating to the Purchase Agreement.

In the event that such purchase right is exercised by the Purchasing Party, the Non-Purchasing Party hereby agrees to purchase Target's interests in the Purchaser/Target JV Asset(s) applicable to such Non-Purchasing Party simultaneously or as soon as practicable following the consummation of the transactions contemplated by the Purchase Agreement. In the event the provisions of this Section 3.02(c) are

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applicable, (i) all of the properties and assets allocated to the Non-Purchasing Party (other than the applicable Purchaser/Target JV Assets) shall be reallocated to the Purchasing Party(ies), and the Master Schedule will be revised to reflect such reallocation; (ii) the Non-Purchasing Party will have no interest whatsoever in the Assets to be Sold or the Three Party Assets, and the Master Schedule will be revised to indicate that the Non-Purchasing Party's "Share of Value in Three Party Assets" and the Non-Purchasing Party's "Share of Value in Assets to be Sold" are each \$0; (iii) the Non-Purchasing Party's Percentage Interest shall be deemed to equal its Default Percentage, and the Master Schedule will be revised to reflect the same; (iv) each of the Purchasing Parties' Percentage Interests will be adjusted to reflect the matters described in clauses (i) - (iii); and (v) the Non-Purchasing Party shall purchase Target's interest in the applicable Purchaser/Target JV Asset(s) for an amount, payable in euros ((euro)), calculated in accordance with clause (A) and clause (B) of Section 2.01(a) and on the basis of the Master Schedule as revised pursuant to clauses (i) - (iii). In addition, but without duplication of any payment required pursuant to clause (v) above, the Non-Purchasing Party will also be required to pay its Percentage Interest (as revised pursuant to clause (iii) above) of unallocated indebtedness pursuant to Section 2.02(c).

If the Purchasing Party has exercised its rights under this Section 3.02(c), except to the extent the same relate to the applicable Purchaser/Target JV Assets, following such exercise, the Non-Purchasing Party will not be entitled to vote on, consent to or otherwise approve or participate in any action required to be taken by the Purchasers pursuant to the Purchase Agreement or this Agreement; provided, however, that neither the Purchase Agreement nor this Agreement shall be modified or amended in any way that materially increases the obligations, or materially decreases the rights, of the Non-Purchasing Party.

Notwithstanding anything in this Section 3.02(c) to the contrary (including the immediately preceding paragraph), if Wallaby is the Non-Purchasing Party, then neither Hoosier nor Terrapin (individually or collectively) shall consummate the transactions contemplated by the Purchase Agreement unless at the time of Closing it is reasonably expected that no less than 51.12 euros per Ordinary Share will be distributed by Target in accordance with the Protocol.

(d) If a party breaches its agreements in this Agreement or the Purchase Agreement and that breach causes termination of the Purchase Agreement, the breaching party shall be responsible for all damages resulting from the termination of the Purchase Agreement and shall indemnify and hold harmless the non-breaching parties. The indemnifying party shall have the right, at its cost and expense, to defend any claim and to settle any claim relating to or arising out of the termination of the Purchase Agreement. The indemnifying party shall have full control of the defense against these claims. If any indemnified party wishes, it may participate at its own cost, but not control, the defense or settlement of any such claim. The indemnifying party shall not be liable for any settlement effected without its consent. The indemnifying party shall not settle any claim

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unless (i) the terms of such settlement do not impose any obligations on any indemnified party, (ii) the full amount of the monetary settlement will be paid by the indemnifying party, and (iii) each indemnified party receives as part of the settlement a full and unconditional release of its liabilities with respect to the claim.

(e) Subject to Section 3.01, the decision as to whether a condition under Section 7.1(e) of the Purchase Agreement shall be waived with respect to any particular property or asset shall be made solely by the party acquiring the property or asset (with respect to the property or asset in question, the "REQUIRED CONSENT PARTY"). With respect to any consents and/or waivers relating to Rolim Associates or Tishman Hotel & Realty, all of the Purchasers will be Required Consent Parties. If (i) the Required Consent Party decides not to waive a condition under Section 7.1(e) of the Purchase Agreement with respect to any property or asset allocated to it, and (ii) the failure of such condition entitles the Purchasers to terminate the Purchase Agreement pursuant to Article VIII thereof, and (iii) the Required Consent Party desires to terminate the Purchase Agreement, then (y) the Required Consent Party shall immediately deliver a Section 7.1(e) Termination Notice (as defined below) to all of the other Purchasers and (z) if the Required Consent Party does not receive a Negation Notice (as defined below) within five (5) business days (or such shorter period of time as is (i) reasonable in light of the scheduled closing date and the Purchasers' ability to postpone the Closing and (ii) specified in the Section 7.1(e) Termination Notice) after its delivery of such Section 7.1(e) Termination Notice to all of the other Purchasers, the Required Consent Party will have the right to terminate the Purchase Agreement.

As used in this Section 3.02(e), (i) "SECTION 7.1(e) TERMINATION NOTICE" means a notice delivered by the Required Consent Party which (A)

identifies with specificity the condition under Section 7.1(e) of the Purchase Agreement that has not been satisfied, (B) identifies the property or asset to which such condition relates (such property or asset, the "SECTION 7.1(e) TRIGGER ASSET") and (B) expressly sets forth the Required Consent Party's irrevocable election to terminate the Purchase Agreement if it does not receive a Negation Notice from one or both of the other Purchasers within the 5-business day period (or such shorter period of time as is (i) reasonable in light of the scheduled closing date and the Purchasers' ability to postpone the Closing and (ii) specified in the Section 7.1(e) Termination Notice) specified in this Section 3.02(e), and (ii) "NEGATION NOTICE" means a notice delivered to a Required Consent Party by one or both of the other Purchasers following its (or their) receipt of a Section 7.1(e) Termination Notice, which notice sets forth such Purchaser's irrevocable election to purchase the Section 7.1(e) Trigger Asset. Upon the Required Consent Party's receipt of a Negation Notice, (i) the Section 7.1(e) Trigger Asset shall be reallocated to the Purchaser(s) that delivered such Negation Notice, (ii) the Percentage Interests of such Purchaser(s) and the Required Consent Party will be adjusted to reflect such reallocation and (iii) all of the Purchasers shall continue to be bound by the terms of this Agreement and the Purchase Agreement and obligated to consummate the transactions contemplated hereby and thereby.

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3.03 NOTICES. Any notice which any of Wallaby, Terrapin or Hoosier desires to deliver to Target under the Purchase Agreement shall require the consent of all of Wallaby, Hoosier and Terrapin (which consent shall not be unreasonably withheld or delayed), unless a party is expressly authorized to take action under the terms of this Agreement without the other parties' consent.

3.04 JOINT CONTROL; DEFENSE OF SUITS. Subject to the other provisions of this Agreement (including Sections 3.02(c)), unless related solely to an property or asset allocated to any of Wallaby, Hoosier or Terrapin, then Wallaby, Hoosier and Terrapin shall jointly control the defense of any action, suit or proceeding in connection with, relating to or arising under, the Purchase Agreement or in connection with any Assets to be Sold or Three Party Assets which is instituted prior to the Closing Date and no party shall consent to the settlement or compromise of such action without the prior written consent of the others (not to be unreasonably withheld, conditioned or delayed). All losses and expenses in connection with jointly controlled actions, suits or proceedings in connection with, relating to or arising under, the Purchase Agreement shall be shared by Wallaby, Hoosier and Terrapin based on their respective Percentage Interests.

3.05 MANAGEMENT OF THREE PARTY ASSETS. To the extent that property management services are required with respect to any Assets to be Sold and/or any Three Party Assets (including any allocated property that is converted to a Three Party Asset in accordance with Section 2.02(d)), such services will be provided by Urban Retail. All consents, approvals, decisions and other actions with respect to Kravco, Urban Retail and any other Three Party Assets shall require the approval of all of Wallaby, Hoosier and Terrapin; provided, however, that any consents, approvals, decisions or other actions that relate exclusively to a Wallaby Asset, a Hoosier Asset or a Terrapin Asset (including actions taken by Urban Retail in its capacity as property manager with respect to any such asset) shall be given or taken by Wallaby, Hoosier or Terrapin, respectively, and shall not require the consent or approval of the other parties (unless the liabilities assumed by any other party would be increased, in which case, the affected party's consent also shall be required).

3.06 GARDEN STATE CONSENT. Subject to Section 3.08, Wallaby hereby irrevocably waives (and shall cause any entities it controls to waive) any rights it may have under Article X of the Amended and Restated Limited Partnership Agreement of Westland Garden State Plaza Limited Partnership, dated as of July 1, 1993, among Westland Management, Inc., HRE Garden State Plaza, Inc. and Westland Partners, Inc. in connection with the sale of the Assets of Target and the Target Subsidiaries pursuant to the Purchase Agreement and this Agreement.

3.07 FRANKLIN PARK CONSENT. Subject to Section 3.08, Terrapin hereby irrevocably waives (and shall cause any entities it controls to waive) any rights it may have to consent to, or approve of, the transfer of Target's interests in Franklin Mall Limited Partnership to Wallaby (or its designee) and hereby waives any rights of first

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offer and/or rights of first refusal to which Terrapin (or any of Terrapin's affiliates) may be entitled in respect of such transfer in connection with the sale of the Assets of Target and the Target Subsidiaries pursuant to the Purchase Agreement and this Agreement.

3.08 CONSENTS NOT EFFECTIVE IF PURCHASE AGREEMENT IS TERMINATED. Notwithstanding anything to the contrary contained in this Agreement or in the Purchase Agreement, if the Purchase Agreement is terminated for any reason whatsoever, the consents and waivers set forth in Sections 3.06 and 3.07 shall be null and void and no further force or effect with respect to any transaction occurring after the termination of the Purchase Agreement.

3.09 URBAN RETAIL MANAGEMENT OF COMPETITIVE MALLS. In the event that Urban Retail manages, or proposes to manage, any regional mall (but excluding any of the Wallaby Assets, Hoosier Assets or Terrapin Assets managed by Urban

Retail) that is located within a ten (10) mile radius of any regional mall that is owned or controlled, directly or indirectly, or managed by Wallaby, Hoosier or Terrapin, all decisions relating to Urban Retail's management of such potentially competitive property and the decision to have Urban Retail manage such competitive property will require the unanimous consent of Wallaby, Hoosier and Terrapin. If Urban Retail currently manages any such competitive mall, the Purchasers will take such reasonable actions as are required to terminate the management agreement in question in an expeditious manner.

ARTICLE IV

EXPENSES; BREAK-UP FEE OR BREAK-UP EXPENSES

4.01 INDIVIDUAL EXPENSES. Except as otherwise set forth herein, each party will bear its own expenses, including (i) the fees of its own investigations into the value and other characteristics of the portfolio of properties and/or assets being purchased pursuant to the Purchase Agreement; (ii) the fees of its own professional advisors; (iii) the expenses relating to each property or asset being acquired by such party, including without limitation, (a) the cost of any title insurance (for itself or any lender, including lenders of indebtedness assumed by such party in connection with the acquisition of such property or asset under the Purchase Agreement), surveys, title inspections, environmental reports, engineering reports and appraisals that such party elects to obtain, and (b) the amount of any prepayment premiums or similar payments required as a result of a prepayment of debt associated with such property or asset on or prior to the Closing Date.

4.02 BREAK-UP FEE OR BREAK-UP EXPENSES. If Target pays a Break-up Fee, Break-up Expenses or Reduced Break-up Expenses pursuant to the Purchase Agreement, then any amount so paid by Target shall be allocated among the Purchasers as follows: (i) any Break-up Fee shall be allocated based on the respective Percentage Interests of

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the Purchasers, and (ii) Break-up Expenses or Reduced Break-up Expenses (the "EXPENSES") shall be allocated based on the respective Percentage Interests of the Purchasers; provided, however that no Purchaser shall receive more than its actual out-of-pocket expenses (and any amount by which the Percentage Interest of a Purchaser multiplied by the Expenses exceeds actual out-of-pocket expenses of that Purchaser, shall be allocated to the other Purchasers).

ARTICLE V

MISCELLANEOUS

5.01 NOTICES. Notices to any of Wallaby, Terrapin or Hoosier shall be given in the manner provided in Section 9.3 of the Purchase Agreement.

5.02 HEADINGS. The headings contained in this Agreement are for reference only and shall not affect in any way the meaning or interpretation of this Agreement.

5.03 SEVERABILITY. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

5.04 CONSULTATION AND COOPERATION. The parties shall consult with each other in connection with their efforts to consummate the transactions contemplated by the Purchase Agreement and this Agreement, and shall cooperate, in reasonable respects, with each other in seeking to effect these transactions in the most effective and efficient manner.

5.05 RESERVATION OF RIGHTS. If the Closing does not occur and the Purchase Agreement is terminated pursuant to the terms thereof, this Agreement, the Transaction Documents and any other discussions, negotiations or exchanges relating to the transactions contemplated by the Transaction Documents shall be with full reservation of rights and none of the Transaction Documents (other than the Confidentiality Agreements) or any such discussions, negotiations or exchanges shall be regarded as waiving any rights or claims of any party thereto in any ruling, litigation or any future claims that are or could be made relating to the transactions contemplated by

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the Transaction Documents. For purposes of this Section 5.05, "Transaction Documents" means the "Transaction Documents" (as defined in the Purchase Agreement), this Agreement and all other agreements between and/or among the Purchasers with respect to the transactions contemplated by the Purchase Agreement and/or this Agreement.

5.06 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes

all prior agreements and undertakings, both written and oral.

5.07 ASSIGNMENT. No party may assign this Agreement without the consent of the other party; provided that a party may assign its rights hereunder to an affiliate, but no such assignment shall relieve the assignor of any of its obligations hereunder.

5.08 NO THIRD-PARTY BENEFICIARIES. This Agreement shall be binding upon Wallaby, Hoosier and Terrapin and shall inure to the sole benefit of Wallaby, Hoosier and Terrapin, and their respective successors, heirs, legal representatives and permitted assigns. Nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

5.09 AMENDMENT; WAIVER. This Agreement may not be amended or modified except by an instrument in writing signed by each of Wallaby, Hoosier and Terrapin.

5.10 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New York. All actions and proceedings arising out of or relating to this Agreement shall be heard and determined in any state or federal court sitting in the City of New York, and the parties hereto hereby irrevocably submit to the exclusive jurisdiction of such courts in any such action or proceeding and irrevocably waive the defense of an inconvenient forum to the maintenance of any such action or proceeding.

5.11 COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by the parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, Wallaby, Hoosier and Terrapin have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

WESTFIELD AMERICA LIMITED PARTNERSHIP

By: Westfield America, Inc., its general partner

By: _____

Name:

Title:

SIMON PROPERTY GROUP, L.P.

By: Simon Property Group, Inc., its general partner

By: _____

Name:

Title:

THE ROUSE COMPANY

By: _____

Name:

Title:

[Signature Page to Joint Purchase Agreement]

EXHIBIT A

[Master Schedule to be Attached]

PURCHASE AGREEMENT

by and among

RODAMCO NORTH AMERICA, N.V.,

WESTFIELD AMERICA LIMITED PARTNERSHIP,

WESTFIELD GROWTH, LP,

SIMON PROPERTY GROUP, L.P.,

HOOSIER ACQUISITION, LLC,

THE ROUSE COMPANY

and

TERRAPIN ACQUISITION LLC

January 12, 2002

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PURCHASE AGREEMENT

This PURCHASE AGREEMENT (this "AGREEMENT"), dated as of January 12, 2002, by and among Rodamco North America, N.V., an investment company with variable capital, incorporated under the laws of The Netherlands ("TARGET"), Westfield America Limited Partnership, a Delaware limited partnership ("WALLABY"), Westfield Growth, LP, a Delaware limited partnership ("WALLABY ACQUISITION SUB"), Simon Property Group, L.P., a Delaware limited partnership ("HOOSIER"), Hoosier Acquisition, LLC, a Delaware limited liability company ("HOOSIER ACQUISITION SUB"), The Rouse Company, a Maryland corporation ("TERRAPIN" and, together with Wallaby and Hoosier, the "PARENT ENTITIES"; the Parent Entities are sometimes referred to herein individually as the "PARENT ENTITY"), and Terrapin Acquisition, LLC, a Maryland limited liability company ("TERRAPIN

ACQUISITION SUB" and, together with Wallaby Acquisition Sub and Hoosier Acquisition Sub, "PURCHASERS"; Purchasers are sometimes referred to herein individually as "PURCHASER").

RECITALS

A. Target and Purchasers believe that it is in the best interest of Target, the Purchasers and their respective shareholders, that Purchasers and Target enter into this Agreement pursuant to which Target will sell to Purchasers, and Purchasers will purchase from Target, the Assets (as hereinafter defined) upon the terms and subject to the conditions set forth herein (the "PURCHASE").

B. Concurrently herewith, Target and Purchasers are entering into the Protocol, pursuant to which Target will liquidate and distribute to shareholders of Target the proceeds received by Target from the Purchase in accordance with the terms thereof (the "DISTRIBUTION") and (ii) Target, Westfield Limited, Hoosier and Terrapin are entering into a Voting and Support Agreement (the "VOTING AND SUPPORT AGREEMENT") pursuant to which Westfield Limited, on the terms and subject to the conditions thereof, has agreed to vote in favor of the Purchase and the Distribution at an extraordinary general meeting of holders of Ordinary Shares of Target convened for such purpose.

C. Target will convene a meeting of its shareholders for the purpose of obtaining the requisite shareholder approval for the Purchase and the other transactions contemplated hereby.

D. Subject only to the closing of the Purchase and the receipt of the proceeds of the Purchase by Target, Target shall as soon as legally permissible and to the maximum extent permitted by Dutch law distribute the proceeds from the Purchase to the shareholders of Target in accordance with the Protocol.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1 CERTAIN DEFINED TERMS. As used in this Agreement, the following terms shall have the following meanings:

"ABBEY PROPERTIES" means the assets and Subsidiaries of Abbey Properties, LLC, a California limited liability company.

"ACQUISITION PROPOSAL" has the meaning specified in SECTION 5.8.

"ADDITIONAL AMOUNT" has the meaning specified in SECTION 2.2(a).

"AFFILIATE" means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person.

"AGREEMENT" means this Purchase Agreement among Target, Purchasers and the Parent Entities (including the Exhibits and the Schedules hereto) and all amendments hereto made in accordance with the provisions of SECTION 9.9.

"ANCHOR TENANT LEASE" means any lease or other agreement between a Target Property Owner and a so-called anchor tenant.

"ANDERSEN LETTER" has the meaning specified in SECTION 5.2(c).

"ANNUAL ACCOUNTS" means the annual accounts of Target (consisting of a profit and loss account, balance sheet and explanatory notes thereto and all other documents and statements thereto) and a consolidated auditors report, determined in accordance with Dutch GAAP.

"ASSETS" means (i) the properties and assets identified on EXHIBIT A and (ii) except as otherwise designated by Purchasers prior to Closing, all other assets, properties and rights of every kind owned by any Target Non-Purchased Entity (including, without limitation, any equity interests owned directly or indirectly by Target in any other Target Non-Purchased Entity) known or unknown, fixed or unfixed, accrued, absolute, contingent or otherwise, whether or not specifically referred to in this Agreement including, without limitation, the Target Intangible Property and the Target Tangible Personal Property, other than the Retained Assets.

"ASSUMED LIABILITIES" has the meaning specified in SECTION 2.3(a).

"ASSUMED TAXES" has the meaning specified in SECTION 6.1.

"ASSUMPTION AGREEMENT" has the meaning specified in SECTION 2.5(c).

"AUSTRALIAN AMOUNT" means 0.498515% of the amount distributable solely in respect of the common stock of Hexalon in connection with the liquidation contemplated by the Protocol, which shall in no event exceed EURO 7,300,000.

"AUSTRALIAN INTERESTS" means the equity interests owned in the companies listed under such heading on Section 1.1 of the Target Disclosure Letter.

"BI" means an investment institution (Beleggingsinstelling) within the meaning of Article 28 of the Dutch Corporation Tax Law.

"BOOKS AND RECORDS" means all books and records, including without limitation, books, archival materials, manuals, price lists, mailing lists, lists of customers, sales and promotional materials, software, purchasing materials, personnel records, quality control records and procedures, business and strategic plans, financial and accounting records, Tax records, environmental records and litigation files (regardless of the media in which stored), in each case principally relating to or used by Target or any Target Subsidiary.

"BREAK-UP EXPENSES" has the meaning specified in SECTION 9.2(d).

"BREAK-UP FEE" has the meaning specified in SECTION 9.2(c).

"BUSINESS DAY" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in New York, New York or in The Netherlands.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sections 9601 et seq., as amended.

"CLOSING" has the meaning specified in SECTION 2.4.

"CLOSING DATE" has the meaning specified in SECTION 2.4.

"CODE" means the Internal Revenue Code of 1986, as amended.

"COMMITMENT" has the meaning specified in SECTION 5.1(b)(iii).

"CONFIDENTIALITY AGREEMENTS" has the meaning specified in SECTION 5.3(a).

"DISPOSAL AGREEMENT" has the meaning specified in SECTION 5.10.

"DISPOSAL PROPERTY" has the meaning specified in SECTION 5.10.

"DISTRIBUTION" has the meaning specified in the Recitals to this Agreement.

"DUTCH GAAP" means Dutch generally accepted accounting principles and practices in effect from time to time applied consistently throughout the periods involved.

"DUTCH LAW" means the laws of The Netherlands, including regulations of Euronext Amsterdam N.V.

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"EC MERGER REGULATIONS" means Council regulation (EEC) No. 4064/89 of December 21, 1989 on the Control of Concentrations Between Undertakings, OJ (1989) L 395/1 and the regulations and decisions of the Council or Commission of the European Community or other organs of the European Union or European Community implementing such regulations.

"ENCUMBRANCE" means all pledges, claims, liens, charges, restrictions, controls, encumbrances and security interests of any kind or nature whatsoever.

"ENTERPRISE CHAMBER" means the Enterprise Chamber ("Ondernemingskamer") of the Amsterdam Court of Appeals.

"ENVIRONMENTAL LAW" means any Law of any Governmental Entity, with jurisdiction over the Target Subsidiaries, relating to the protection of human health, natural resources or the environment.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"EURO" means the single currency of participating member states of the European Monetary Union.

"EUROPEAN COMMISSION" means the Commission of European Communities.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended.

"EXCLUDED LIABILITIES" has the meaning specified in SECTION 2.3(b).

"EXCLUDED TAXES" has the meaning set forth in SECTION 6.1.

"EXISTING TITLE POLICIES" has the meaning specified in SECTION 3.9(a).

"EXPENSE AMOUNT" has the meaning specified in SECTION 9.2(h).

"GOVERNMENTAL ENTITY" means any United States federal, state or local or any Dutch or other foreign government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body including, without limitation, the Enterprise Chamber and the Dutch Central Bank.

"HAZARDOUS MATERIAL" means (i) any petroleum or petroleum products, radioactive materials, asbestos-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls ("PCBS"); (ii) any chemicals, materials, substances or wastes which are defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "pollutant," "contaminant" or words of similar import, or regulated as such, under any Environmental Law or for which a person may be subject to liability under any Environmental Law.

"HEXALON" means Hexalon Real Estate, Inc., a Delaware corporation and a Target Subsidiary.

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"HOOSIER" has the meaning specified in the introductory paragraph to this Agreement.

"HOOSIER ACQUISITION SUB" has the meaning specified in the introductory paragraph to this Agreement.

"HOOSIER CONFIDENTIALITY AGREEMENT" has the meaning specified in SECTION 5.3(a).

"HSR ACT" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"H&T ASSUMED LIABILITIES" has the meaning specified in SECTION 5.11(f).

"H&T ASSUMPTION AGREEMENT" has the meaning specified in SECTION 2.5(d).

"INDEMNIFIED PARTIES" has the meaning specified in SECTION 5.11(a).

"INDEMNIFYING PARTIES" has the meaning specified in SECTION 5.11(a).

"INVASIVE TESTING" has the meaning specified in SECTION 5.3(b).

"INVESTIGATION" has the meaning specified in SECTION 5.3(a).

"IRS" means the United States Internal Revenue Service.

"JOINT VENTURES" means the entities and properties managed or controlled by the Persons or any Affiliate of such Persons set forth on Schedule 1.1 to the Target Disclosure Letter.

"JV INTERESTS" has the meaning specified in SECTION 3.4(b).

"KEY EMPLOYEE" means those individuals set forth on Section 5.7 of the Target Disclosure Letter.

"KNOWLEDGE", or any similar expression, means with respect to Target (or any Target Subsidiary), the actual knowledge of the persons set forth on Schedule 1.1 to the Target Disclosure Letter.

"LAW" means any statute, law, regulation, order, interpretation, permit, license, approval, authorization, rule or ordinance of any Governmental Entity applicable to the Purchaser Parties or Target or any of their respective Subsidiaries.

"LEASED PROPERTIES" has the meaning specified in SECTION 3.9(a).

"LOSSES" has the meaning specified in SECTION 5.11(a).

"LOYENS TAX OPINION" has the meaning specified in SECTION 5.2(d).

"MAJORITY ACQUISITION PROPOSAL" has the meaning specified in SECTION 9.2(b).

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"MATERIAL CONTRACTS" means (i) any loan agreement, indenture, note, bond, debenture, mortgage or any other document, agreement or instrument evidencing a capitalized lease obligation or other indebtedness to any Person, other than indebtedness in a principal amount less than \$1,000,000, and (ii) each commitment, contractual obligation, capital expenditure or transaction entered into by Target or any Target Subsidiary which may result in total payments by or liability of Target or any Target Subsidiary in excess of \$1,000,000, other than the Target Ground Leases; PROVIDED, however, any contract, agreement or other arrangement under clause (ii) above that, by its terms, is terminable within 30 days (without termination fee or penalty) of the date of this Agreement shall not be deemed to be a Material Contract.

"NECESSARY CONSENTS" has the meaning specified in SECTION 7.1(d).

"NON-COVERED EMPLOYEES" means those employees of Target or of any Target Subsidiary that are regularly scheduled to work at least 30 hours per week and that are not party to or otherwise covered by a Target Employment Agreement.

"NON-FINANCIAL COVENANTS" has the meaning specified in SECTION 2.3(b)(iv).

"OAKBROOK CONTRACT" has the meaning specified in SECTION 5.1(a).

"ORDINARY DIVIDEND" has the meaning specified in SECTION 5.1(b)(ii).

"ORDINARY DIVIDEND AMOUNT" means an amount equal to ninety percent (90%) of the Net Profit as reflected on the Target's audited financial statements for the ten month period ended December 31, 2001.

"ORDINARY SHARES" means the ordinary shares in the capital of Target, par value EURO 8 per share.

"OWNED PROPERTIES" has the meaning specified in SECTION 3.9(a).

"PARENT ENTITY" and "PARENT ENTITIES" have the meanings specified in the introductory paragraph to this Agreement.

"PER SHARE CONSIDERATION" means the quotient of (a) the Purchase Price MINUS the Australian Amount over (b) 45,092,131 Ordinary Shares.

"PERIMETER MALL" means that certain Target Property generally known as Perimeter Mall.

"PERMITTED ENCUMBRANCES" has the meaning specified in SECTION 3.9(a).

"PERSON" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

"PERSONAL PROPERTY" has the meaning specified in SECTION 3.9(j).

"PROFORMA TAX RETURNS" has the meaning specified in SECTION 5.2(f).

"PROPERTY AGREEMENTS" has the meaning specified in SECTION 3.9(d).

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"PROTOCOL" means the Distribution and Liquidation Protocol, dated the date hereof, among Purchasers, the Parent Entities and Target.

"PURCHASE" has the meaning specified in the Recitals to this Agreement.

"PURCHASE PRICE" has the meaning specified in SECTION 2.2(a).

"PURCHASER" and "PURCHASERS" have the meanings specified in the introductory paragraph to this Agreement.

"PURCHASER DESIGNEE" has the meaning specified in SECTION 2.1.

"PURCHASER PARTIES" shall mean, collectively, the Purchasers and the Parent Entities.

"PURCHASERS' REPRESENTATIVES" has the meaning specified in SECTION 5.3(a).

"REDUCED BREAK-UP FEE EXPENSES" has the meaning specified in SECTION 9.2(d).

"REIT" means a real estate investment trust within the meaning of Section 856 of the Code.

"RELEASE" means any past or present release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, leaching, dispersing, migrating, dumping or disposing into the indoor or outdoor environment (including, without limitation, ambient air, surface water, groundwater, and surface or subsurface strata) or into or out of any property, including the movement of Hazardous Material through or into the air, soil, surface water, or groundwater.

"RENT ROLL" has the meaning specified in SECTION 3.9(i).

"RETAINED ASSETS" means the Purchase Price, any proceeds thereof, any rights of Target under the Transaction Documents and any equity interests in the Target Non-Purchased Entities.

"ROPRO ASSETS" means those certain assets owned directly or indirectly by RoProperty Services BV, a private company with limited liability with its corporate seat in Rotterdam.

"SAR" has the meaning specified in SECTION 5.7(d).

"SEC" means the United States Securities and Exchange Commission.

"SECTION 754 ELECTION" has the meaning specified in SECTION 5.6.

"SECURITIES ACT" means the Securities Act of 1933, as amended.

"745 PROPERTY" means that certain Target Property located at 745 Fifth Avenue, New York, New York.

"SEVERANCE BASE" has the meaning specified in SECTION 5.7(a).

"SEVERANCE PAYMENT" has the meaning specified in SECTION 5.7(a).

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"SHAREHOLDERS MEETING" has the meaning specified in SECTION 5.12(a).

"SPACE LEASE" means any lease or other occupancy agreement affecting a Target Property.

"SUBSIDIARY" of any Person means any corporation, partnership, limited liability company, joint venture or other legal entity of which such Person (either directly or through or together with another Subsidiary of such Person) (i) owns more than 50% of the voting stock or value of such corporation, partnership, limited liability company, joint venture or other legal entity, or (ii) otherwise has the ability to elect a majority of the directors, trustees or managing members thereof.

"SUPERIOR PROPOSAL" has the meaning specified in SECTION 5.8.

"TARGET" has the meaning specified in the introductory paragraph to this Agreement.

"TARGET DISCLOSURE LETTER" means the disclosure letter dated as of the date of this Agreement and delivered to Purchasers in connection with the execution hereof.

"TARGET EMPLOYEE BENEFIT PLANS" has the meaning specified in SECTION 3.15(c) and are listed in Section 3.15 of Target Disclosure Letter.

"TARGET EMPLOYMENT AGREEMENTS" has the meaning specified in SECTION 3.15(r).

"TARGET ERISA AFFILIATE" has the meaning specified in SECTION 3.15(a).

"TARGET FILINGS" means the most recent Annual Report and Semi-Annual Report filed or published by Target with the Chamber of Commerce of Rotterdam prior to the date hereof.

"TARGET FINANCIAL ADVISOR" means J.P. Morgan Securities Inc.

"TARGET GROUND LEASES" has the meaning specified in SECTION 3.9(a).

"TARGET INTANGIBLE PROPERTY" has the meaning specified in SECTION 3.18.

"TARGET MATERIAL ADVERSE EFFECT" means a material adverse effect on the business, properties, liabilities, financial condition or results of operations of Target and the Target Subsidiaries, taken as a whole, excluding the effect of (i) general changes in the economy or financial markets of the United States or any other region outside of the United States, (ii) changes in Law that affect real estate investment trusts generally, unless such changes have a materially disproportionate effect, relative to other industry participants, on Target and the Target Subsidiaries, taken as a whole, and (iii) changes that affect the retail industry or retail real estate properties generally, unless such changes have a materially disproportionate effect, relative to other industry participants, on Target and the Target Subsidiaries, taken as a whole.

"TARGET MINIMUM AMOUNT" has the meaning specified in SECTION 8.1(k).

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"TARGET NON-PURCHASED ENTITIES" means Target and the Target Subsidiaries which are not to be purchased by Purchasers pursuant to this Agreement and which are set forth on Schedule 1.1 to the Target Disclosure Letter.

"TARGET NON-SUBSIDIARY ENTITY" means any Person in which Target or any Target Subsidiary owns, directly or indirectly, any equity or similar interests, or any interest convertible into or exchangeable or exercisable for any equity or similar interests, other than a Target Subsidiary, the Joint Ventures and any publicly traded entity in which Target or any Target Subsidiary beneficially owns less than one percent (1%) of any class or securities of such entity.

"TARGET ORGANIZATIONAL DOCUMENTS" has the meaning specified in SECTION 3.1.

"TARGET PENSION PLANS" has the meaning specified in SECTION 3.15(a).

"TARGET PERMITS" has the meaning specified in SECTION 3.12.

"TARGET PROPERTIES" has the meaning specified in SECTION 3.9(a).

"TARGET PROPERTY OWNER" means, each Target Subsidiary and any other entity, other than the Joint Ventures, which directly owns any Target Property.

"TARGET PROPERTY RESTRICTIONS" has the meaning specified in SECTION 3.9(b).

"TARGET PURCHASED SUBSIDIARIES" means the Subsidiaries of Target which are to be purchased by Purchasers pursuant to this Agreement.

"TARGET REPRESENTATIVES" has the meaning specified in SECTION 5.8.

"TARGET SHAREHOLDER APPROVAL" means has the meaning specified in SECTION 7.1(a).

"TARGET SUBSIDIARIES" means all of the Subsidiaries of Target.

"TARGET TANGIBLE PERSONAL PROPERTY" means all of the tangible property owned or leased by a Target Property Owner in, on, attached to, appurtenant to, or used in the operation or maintenance of, a Target Property, including, without limitation, any and all appliances, furniture, carpeting, draperies, curtains, tools and supplies, plans, specifications and drawings for such Target Property and Personal Property.

"TAX" or "TAXES" means any and all taxes, fees, levies, duties, tariffs, imposts, and other charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any foreign, U.S., state and local government or taxing authority, including, without limitation: taxes or other charges on or with respect to income, alternative minimum tax, franchises, windfall or other profits, gross receipts, excess distributions, impositions, property, sales, use, capital stock, payroll, employment, social security, workers' compensation, unemployment compensation, or net worth; taxes or other charges in the nature of excise, surtax, tax imposed under Article IV. B. Invoeringswet Inkomstenbelasting 2001, withholding, ad valorem, stamp, transfer, mortgage recording, value

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added, or gains taxes; license, registration and documentation fees; and customs' duties, tariffs, and similar charges.

"TAX RETURN" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"TERMINATING PURCHASERS BREACH" has the meaning specified in SECTION 8.1(f).

"TERMINATING TARGET BREACH" has the meaning specified in SECTION 8.1(e).

"TERMINATION DATE" has the meaning specified in SECTION 8.1(j).

"TERRAPIN" has the meaning specified in the introductory paragraph to this Agreement.

"TERRAPIN ACQUISITION SUB" has the meaning specified in the introductory paragraph to this Agreement.

"THIRD PARTY" means any Person other than Purchasers and their respective Affiliates.

"TRANSACTION DOCUMENTS" has the meaning specified in SECTION 3.3(a).

"TRANSFER AND GAINS TAXES" means any real property transfer or gains, sales, use, transfer, mortgage recording, intangible, value added, stock transfer and stamp Taxes, any transfer, recording, registration and other fees and any similar Taxes which become payable in connection with the transactions contemplated by this Agreement, together, with any related interests, penalties or additions to Tax.

"TRIGGERED LOANS" means those loans identified as "Triggered Loans" in SECTION 3.3 of the Target Disclosure Letter.

"2001 INCENTIVE PROGRAM" has the meaning specified in SECTION 5.7(d).

"2001 SAR PLAN" has the meaning specified in SECTION 5.7(d).

"UNITED STATES GAAP" means United States generally accepted accounting principles and practices in effect from time to time applied consistently throughout the periods involved.

"URBAN TAX INDEMNIFICATION AGREEMENT" means that certain Tax Indemnification and Contest Agreement, dated as of November 8, 2000, among Urban Shopping Centers, L.P., Head Acquisition, L.P., Hexalon Real Estate, Inc. and the holders of Class A Common Units of Urban Shopping Centers, L.P. signatory thereto.

"VOTING DEBT" shall mean bonds, debentures, notes or other indebtedness having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which holders of equity interests in Target, any Target Subsidiary or Purchasers, as applicable, may vote.

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"VOTING AND SUPPORT AGREEMENT" has the meaning specified in the Recitals to this Agreement.

"VOTING TRUST" means Stichting RNA, a non-profit foundation having its registered seat in Rotterdam.

"VOTING TRUST REDEMPTION" means the purchase from the Voting Trust of all of its shares of Target issued to the Voting Trust pursuant to the Agreement Regarding the Acquisition of Shares in Target, dated September 23, 2001, between Target and the Voting Trust, as in effect as of the date hereof.

"WALLABY" has the meaning specified in the introductory paragraph to this Agreement.

"WALLABY ACQUISITION SUB" has the meaning specified in the introductory paragraph to this Agreement.

"WARN" has the meaning specified in SECTION 5.7(a).

"WESTFIELD DESIGNEE" has the meaning specified in SECTION 5.12(a).

SECTION 1.2. CONSTRUCTION. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole, including all exhibits and schedules, as the same may from time to time be amended, restated, modified or supplemented, and not to any particular section, subsection or clause contained in the Agreement or any such exhibit or schedule. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine and neuter genders shall include the masculine, feminine and neuter genders. The words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation".

ARTICLE II

PURCHASE AND SALE; ASSUMPTION OF LIABILITIES

SECTION 2.1. PURCHASE AND SALE OF ASSETS. On the terms and subject to the conditions set forth in this Agreement, Target shall (or shall cause the appropriate Target Subsidiary or Affiliate of Target or Target Subsidiary, as directed by Purchasers to), at the Closing, sell, assign, transfer, convey and deliver to Purchasers (or to one or more designees of Purchasers designated by Purchasers), and Purchasers (or to one or more designees of Purchasers designated by Purchasers (each a "PURCHASER DESIGNEE")) shall purchase, from Target (or the appropriate Target Subsidiary or Affiliate of Target or Target Subsidiary, as directed by Purchasers), on the Closing Date, the Assets.

SECTION 2.2. PURCHASE PRICE; MANNER OF PAYMENT.

(a) The aggregate purchase price (the "PURCHASE PRICE") for the Assets shall be the cash sum of EURO 2,480,067,205 LESS the full amount of any distributions declared and paid or payable to Target's shareholders after the date hereof and prior to the Closing (including the

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Ordinary Dividend) PLUS the Australian Amount PLUS the Additional Amount (as hereinafter defined). "ADDITIONAL Amount" means an amount in Euros equal to, if the Closing occurs on or after May 16, 2002, the product of (x) EURO622,642 TIMES (y) the number of days from and after May 1, 2002 until the Closing Date. The Australian Amount shall be paid to Target in respect of the Australian Interests or such other Assets as Purchasers designate (other than Assets owned directly or indirectly by Hexalon).

(b) At the Closing, Purchasers shall pay to the applicable sellers of assets owned by Target or Target Subsidiaries their respective shares of the Purchase Price (as reflected in the final Pro Forma Tax Returns) by wire transfer in immediately available funds, to an account or accounts designated at least two (2) Business Days prior to the Closing Date by Target in a written notice to Purchasers.

(c) The Purchase Price shall be denominated in EUROs and shall not be subject to any adjustment based on currency fluctuations.

SECTION 2.3. ASSUMPTION OF LIABILITIES.

(a) On the terms and subject to the conditions set forth in this Agreement, at the Closing, Purchasers and the Purchaser Designees shall assume, and thereafter pay and fully satisfy and perform when due in accordance with their respective terms, all liabilities and obligations of the Target Non-Purchased Entities, whether known or unknown, contingent or otherwise and whether arising or relating to any act or omission occurring before, on or after the Closing Date, other than the Excluded Liabilities and the H&T Assumed Liabilities (such liabilities being referred to herein collectively as the "ASSUMED LIABILITIES"), including without limitation, the following:

(i) all obligations and liabilities of Target or any Target Subsidiary to indemnify and to maintain directors' and officers' liability insurance with respect to the directors, officers, employees, fiduciaries and agents of Urban Shopping Centers, Inc. and Urban Shopping Centers, L.P. to the extent required by Section 6.8 of that certain Agreement and Plan of Merger dated as of September 25, 2000, by and among Target, Hexalon, Head Acquisition, L.P., Head Acquisition, Corp., Urban Shopping Centers, Inc. and Urban Shopping Centers, L.P.;

(ii) all obligations and liabilities of Hexalon, Urban Shopping Centers, L.P. and Head Acquisition, L.P. pursuant to the Urban Tax Indemnification Agreement; and

(iii) all obligations and liabilities in respect of Assumed Taxes in accordance with ARTICLE VI hereof.

(b) Notwithstanding the foregoing, Purchasers, the Purchaser Designees and the Parent Entities shall not assume or be bound by any of the following liabilities or obligations of Target or any of the Target Non-Purchased Entities (the "EXCLUDED LIABILITIES"):

(i) except as provided in Section 2.3(b)(ii), liabilities that arise after the Closing Date in respect of (A) any operations or activities of any Target Non-Purchased Entity that occur after the Closing Date or (B) any Retained Assets;

(ii) liabilities that arise from any act or omission of any agent, officer, managing or supervisory director or employee of Target or any Target Non-Purchased Entity that occurs after the Closing Date, other than liabilities (other than Excluded Taxes) that arise out of the good faith actions of any agent, officer, employee or managing or supervisory director of any Target Non-Purchased Entity taken, and reasonably necessary to effect the distribution of the Purchase Price to Target's shareholders in accordance with the terms and conditions of the Protocol;

(iii) all obligations and liabilities in respect of Excluded Taxes; and

(iv) (A) Sections 4.5(d) and 7.5 of the Third Amended and Restated Agreement of Limited Partnership of Urban Shopping Centers, L.P. and the related undertakings by Hexalon and Target, (B) Section 10.1 of the Amended and Restated General Partnership Agreement of KI-Kravco Associates, by and among Kravco, Inc. and HRE Kravco II, Inc., dated November 12, 1998; and Section 10.1 of the Third Amended and Restated General Partnership Agreement of Kravco Company, by and among Kravco, Inc. and RNA- Kravco III, Inc., dated November 12, 1998 and (C) any other covenants restricting the ability of any Target Non-Purchased Entity from conducting business in any manner or location (clauses (A), (B) and (C) collectively, the "NON-FINANCIAL COVENANTS").

SECTION 2.4. CLOSING. Subject to the terms and conditions of this Agreement, the purchase and sale of the Assets shall take place at a closing (the "CLOSING") to be held at the offices of Willkie Farr & Gallagher, 787 Seventh Avenue, New York, New York at 10:00 A.M. eastern time on the date which is two (2) Business Days after the date on which the conditions set forth herein with respect thereto shall be satisfied or duly waived, or at such other place or at such other time or on such other date as Target and Purchasers may mutually agree upon in writing (the day on which the Closing takes place being the "CLOSING DATE").

SECTION 2.5. CLOSING DELIVERIES BY TARGET. At the Closing, Target shall deliver or cause to be delivered to Purchasers or their designees:

(a) With respect to the Assets that are capital stock, stock certificates evidencing the same duly endorsed in blank, or accompanied by stock powers duly executed in blank, in form and substance satisfactory to Purchasers;

(b) With respect to Assets other than capital stock, a bill of sale, such deeds and any other documents as are necessary to effect the transfer of such Assets to Purchasers (or to Purchaser Designees) in a manner and in form and substance satisfactory to Purchasers;

(c) an assumption agreement effecting Purchasers' and the Purchaser Designees' assumption of the Assumed Liabilities in form and substance satisfactory to Target (the "ASSUMPTION AGREEMENT");

(d) an assumption agreement effecting Hoosier and Terrapin's assumption of the H&T Assumed Liabilities in form and substance satisfactory to Target (the "H&T ASSUMPTION AGREEMENT");

(e) the Necessary Consents required to be delivered pursuant to SECTION 7.1(d); and

(f) the Books and Records.

SECTION 2.6. CLOSING DELIVERIES BY PURCHASERS. At the Closing, Purchasers shall deliver or cause to be delivered to Target:

(a) the Purchase Price in the manner and denomination described in SECTION 2.2;

(b) the Assumption Agreement; and

(c) the H&T Assumption Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF TARGET

As an inducement to the Purchaser Parties to enter into this Agreement, Target hereby represents and warrants to the Purchaser Parties as follows (PROVIDED, that for purposes of Article III only, each Target Non-Subsidiary Entity shall be deemed to be a Target Subsidiary except that each representation and warranty as to such Target Non-Subsidiary Entity shall only be made to the Knowledge of Target; PROVIDED, FURTHER, that notwithstanding anything herein to the contrary, Target does not make any representations and warranties regarding the Joint Ventures other than in Section 3.4(b) and Section 3.10 as to the ownership of the JV Interests):

SECTION 3.1. ORGANIZATION, STANDING AND CORPORATE POWER OF TARGET. Target is a corporation duly incorporated and validly existing under Dutch Law and has the requisite corporate power, authority and all necessary government approvals or licenses to own, lease and operate its properties and to carry on its business as now being conducted. Target is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of the business it is conducting, or the ownership, operation or leasing of its properties or the management of properties for others makes such qualification or licensing necessary, other than in such jurisdictions where the failure to be so qualified or licensed, individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect. Target has heretofore made available to Purchasers complete and correct copies of Target's articles of association (the "TARGET ORGANIZATIONAL DOCUMENTS"). The Target Organizational Documents are in full force and effect as of the date hereof. Each jurisdiction in which Target is qualified or licensed to do business is identified in Section 3.1 of the Target Disclosure Letter.

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SECTION 3.2. TARGET SUBSIDIARIES.

(a) Each Target Subsidiary that is a corporation is duly incorporated, validly existing and, where applicable, in good standing under the Laws of its jurisdiction of incorporation and has the requisite corporate power, authority and all necessary government approvals and licenses to own, lease and operate its properties and to carry on its business as now being conducted, except where the failure to have such approvals or licenses, individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect. All outstanding shares of stock of each Target Subsidiary that is a corporation have been duly authorized, are validly issued, fully paid and nonassessable, and are not subject to any rights of first offer, rights of first refusal, tag-along rights or any other preemptive rights and are owned by Target and/or another Target Subsidiary and, except as disclosed in Section 3.2(a) of the Target Disclosure Letter, are so owned free and clear of all Encumbrances.

(b) Each Target Subsidiary that is a partnership, limited liability company or trust is duly organized, validly existing and, where applicable, in good standing under the Laws of its jurisdiction of organization and has the requisite power, authority and all necessary government approvals and licenses to own, lease and operate its properties and to carry on its business as now being conducted, except where the failure to have such approvals or licenses, individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect. All equity interests in each Target Subsidiary that is a partnership, limited liability company, trust or other entity have been duly authorized and are validly issued and are owned by Target and/or another Target Subsidiary and, except as disclosed in Section 3.2(b) of the Target Disclosure Letter, are so owned free and clear of all Encumbrances.

(c) Each Target Subsidiary is duly qualified or licensed to do business and is, where applicable, in good standing in each jurisdiction in which the nature of its business or the ownership, operation or leasing of its properties or the management of properties for others makes such qualification or licensing necessary, other than in such jurisdictions where the failure to be so qualified or licensed, individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect.

(d) Except as set forth in Section 3.2(d) of the Target Disclosure Letter, there are no outstanding options, warrants or other rights to acquire ownership interests from any Target Subsidiary. Target has heretofore made available to Purchasers complete and correct copies of the charter, by-laws, partnership agreements, operating agreements or other organizational documents of each of the Target Subsidiaries, each as amended to date, and each such instrument or agreement is in full force and effect as of the date hereof. Section 3.2(d) of the Target Disclosure Letter sets forth (i) all Target Subsidiaries and their respective jurisdictions of incorporation or organization, (ii) each owner and the respective amount of such owner's equity interest in each Target Subsidiary and (iii) a list of each jurisdiction in which each Target Subsidiary is qualified or licensed to do business and each assumed name under which each such Target Subsidiary conducts business in any jurisdiction. Except as set forth in Section 3.2(d) of the Target Disclosure Letter, Target does not directly or indirectly own any equity or similar interests in any other Person, or any interest convertible into or exchangeable or exercisable for any equity or similar interests in any other Person.

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SECTION 3.3. AUTHORITY; NO VIOLATIONS; CONSENTS AND APPROVAL.

(a) Target has all requisite corporate power and authority to enter into this Agreement and all other documents to be executed by Target in connection with the transactions contemplated hereby, and by the Protocol and by the Voting and Support Agreement (collectively, the "TRANSACTION DOCUMENTS") and to consummate the transactions contemplated hereby and thereby, subject, solely with respect to the consummation of the Purchase and the Distribution, to receipt of the Target Shareholder Approval. Each Target Subsidiary that is a party to any Transaction Document has all requisite power and authority to enter into such Transaction Document and to consummate the transactions contemplated thereby. The execution and delivery of the Transaction Documents and the consummation of the transactions contemplated hereby or thereby have been duly authorized by all necessary action on the part of Target and each applicable

Target Subsidiary, subject, solely with respect to the consummation of the Purchase, to receipt of the Target Shareholder Approval. The Transaction Documents have been duly executed and delivered by Target and each applicable Target Subsidiary and constitute legal, valid and binding obligations of Target and each applicable Target Subsidiary, enforceable against Target and each Target Subsidiary in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other Laws of general applicability relating to or affecting creditors' rights and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

(b) Except as set forth in Section 3.3(b) of the Target Disclosure Letter, the execution and delivery of the Transaction Documents by Target and each applicable Target Subsidiary do not, and the consummation of the transactions contemplated hereby or thereby, and compliance with the provisions hereof or thereof, will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any material obligation, or the loss of a material benefit under, or give rise to a right of purchase, first offer or forced sale, under, result in the creation of any Encumbrance upon any of the properties or assets of Target or any of the Target Subsidiaries under, require the consent or approval of any third party or otherwise result in a material detriment or default to Target or any of the Target Subsidiaries under, any provision of (i) the Target Organizational Documents or any provision of the comparable charter or organizational documents (including any operating agreement or limited partnership agreement) of any Target Subsidiary, (ii) any loan or credit agreement or note, except for the Triggered Loans or any bond, mortgage, indenture, lease or other agreement, instrument, permit, concession, franchise or license applicable to Target or any Target Subsidiary, or their respective properties or assets or any guarantee by Target or any Target Subsidiary of any of the foregoing, (iii) any joint venture or other ownership arrangement or any Material Contract or (iv) assuming the consents, approvals, authorizations or permits and filings or notifications referred to in SECTION 3.3(c) are duly and timely obtained or made and the Target Shareholder Approval has been obtained, any judgment, order, decree, statute, Law, ordinance, rule or regulation applicable to Target or any Target Subsidiary, or any of their respective properties or assets, other than, in the case of clauses (ii) and (iii), any such conflicts, violations, defaults, rights, Encumbrances or detriments that, individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect.

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(c) Except as set forth in Section 3.3(c) of the Target Disclosure Letter, no consent, approval, order or authorization of, or registration, declaration or filing with, or permit from, any Governmental Entity, is required by or on behalf of Target or any of the Target Subsidiaries in connection with the execution and delivery of the Transaction Documents by Target and each of the applicable Target Subsidiaries or the consummation by Target or the applicable Target Subsidiaries of the transactions contemplated hereby or thereby, except for: (i) the filings, approvals, consents and confirmations expressly contemplated by the Protocol; (ii) such filings and approvals as may be required by any applicable Environmental Laws as more specifically described in Section 3.3 of the Target Disclosure Letter; (iii) the filing, if applicable, of a pre-merger notification and report by Target under the HSR Act, and the expiration or termination of the applicable waiting period thereunder; and (iv) any such consent, approval, order, authorization, registration, declaration, filing or permit that the failure to obtain or make individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect.

SECTION 3.4. CAPITAL STRUCTURE.

(a) The authorized capital of Target consists of 219,656,590 Ordinary Shares, of which 14,700,000 Ordinary Shares are held by the Voting Trust and 45,092,131 Ordinary Shares are held by other holders and are issued and outstanding.

(b) Except as set forth in Section 3.4(b) of the Target Disclosure Letter, Target or the applicable Target Subsidiary owns all Assets (including the equity interests in the Joint Ventures (the "JV INTERESTS")), free and clear of any Encumbrance, preemptive rights, call rights, assessments or other adverse interest of any kind or nature whatsoever; PROVIDED, HOWEVER, that no representation under this Section 3.4(b) is made with respect to the 745 Property or Perimeter Mall.

(c) Except as set forth in Sections 3.4(a) hereof or in Section 3.4(c) of the Target Disclosure Letter, there are issued and outstanding or reserved for issuance: (i) no Ordinary Shares, shares of stock, Voting Debt or other voting securities of Target; (ii) no restricted shares of Target or any Target Subsidiary, performance share awards or dividend equivalent rights relating to the equity interests of Target or any Target Subsidiary, (iii) no securities of Target or any Target Subsidiary or securities or assets of any other entity convertible into or exchangeable for Ordinary Shares, shares of stock, Voting Debt or other voting securities of Target or any Target Subsidiary; and (iv) no subscriptions, options, warrants, conversion rights, stock appreciation rights, calls, claims, rights of first refusal, rights (including preemptive rights), commitments, arrangements or agreements to which Target or any Target Subsidiary is a party or by which it is bound in any case obligating Target or any Target Subsidiary to issue, deliver, sell, purchase, redeem or acquire, or cause to be issued, delivered, sold, purchased, redeemed or acquired, additional Ordinary Shares, shares of stock, Voting Debt or other

voting securities of Target or of any Target Subsidiary, or obligating Target or any Target Subsidiary to grant, extend or enter into any such subscription, option, warrant, conversion right, stock appreciation right, call, right, commitment, arrangement or agreement. All outstanding Ordinary Shares and other shares of stock of Target and each Target Subsidiary are, and all shares reserved for issuance will be, upon issuance in accordance with the terms specified in the instruments or agreements pursuant to which they are issuable, duly authorized,

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validly issued, fully paid and nonassessable and not subject to or issued in violation of, any preemptive right, purchase option, call option, right of first refusal, subscription or any other similar right.

(d) Except as set forth in Section 3.4(d) of the Target Disclosure Letter, all dividends or distributions on securities of Target or any Target Subsidiary that have been declared or authorized prior to the date of this Agreement have been paid in full.

(e) Except for the Transaction Documents and except as set forth in Section 3.4(e) of the Target Disclosure Letter, there are not any (i) stockholder agreements, voting trusts, proxies or other agreements or understandings relating to the voting of any shares of stock of Target or (ii) agreements or understandings relating to the sale or transfer (including agreements imposing transfer restrictions) of any Ordinary Shares of Target or any ownership interests in any Target Subsidiary, to which Target or any Target Subsidiary is a party or by which it is bound. Except as set forth in Section 3.4(e) of the Target Disclosure Letter, there are no restrictions on Target's ability to vote the equity interests of any of the Target Subsidiaries.

(f) Except as set forth in Section 3.4(f) of the Target Disclosure Letter, no holder of securities in Target or any Target Subsidiary has any right to have such securities registered by Target or any Target Subsidiary, as the case may be.

(g) Except as set forth in Section 3.4(g) of the Target Disclosure Letter, there are not any Target Subsidiaries in which any officer or director of Target or any Target Subsidiary owns any stock or other securities. There are no agreements or understandings between Target or any Target Subsidiary and any Person that could cause such Person to be treated as holding any stock or security in Target or any Target Subsidiary as an agent for, or nominee of, Target or any Target Subsidiary.

(h) Other than equity interests in the Target Non-Purchased Entities, Target does not directly hold any equity interests in any Person which is not listed on EXHIBIT A hereto.

SECTION 3.5. FINANCIAL STATEMENTS.

The audited consolidated balance sheet of Target and its Subsidiaries as of February 28, 2001, the unaudited balance sheet of the Target and its Subsidiaries as of August 31, 2001 and the audited balance sheet of Hexalon as of December 31, 2000 fairly present the financial position of Target and its Subsidiaries, and Hexalon, as the case may be, as of the dates thereof, and the related statements of income, retained earnings and changes in financial position for the fiscal periods ended on such dates fairly present the results of operations and changes in financial position of Target and its Subsidiaries and Hexalon, as the case may be, for the respective periods indicated. All such financial statements of Target, including the schedules and notes thereto, if any, were prepared in accordance with Dutch GAAP applied consistently throughout the periods involved, except that the unaudited financial statements may not be in accordance with Dutch GAAP because of the absence of footnotes normally contained therein and are subject to normal year-end adjustments which in the aggregate will not be material. All such financial statements of Hexalon, including the schedules and notes thereto, if any, were prepared in accordance with United States GAAP applied consistently throughout the periods involved,

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except as noted therein and the absence of footnotes normally contained therein and are subject to normal year-end adjustments which in the aggregate will not be material.

SECTION 3.6. [INTENTIONALLY OMITTED]

SECTION 3.7. ABSENCE OF CERTAIN CHANGES OR EVENTS. Except as disclosed or reflected in the Target Filings filed prior to the date of this Agreement or as disclosed in Section 3.7 of the Target Disclosure Letter, since February 28, 2001, Target and the Target Subsidiaries have conducted their business only in the ordinary course and there has not been:

(a) any declaration, setting aside or payment of any dividend or other distribution (whether in cash, stock or property) with respect to any of Target's ordinary shares;

(b) any amendment of any term of any outstanding equity security of Target or any Target Subsidiary;

(c) any repurchase, redemption or other acquisition by Target or any Target Subsidiary of any outstanding ordinary shares or other equity securities

of, or other ownership interests in, Target or any Target Subsidiary;

(d) any change in any method of accounting or accounting practice or any material change in any tax method or election by Target or any Target Subsidiary;

(e) any amendment of any employment, consulting, severance, incentive stock, deferred compensation, bonus, retirement, retention or any other agreement between (i) Target or any Target Subsidiary, on the one hand and (ii) any officer or director of Target or any Target Subsidiary, on the other hand;

(f) any change, event, effect, damage, destruction or loss relating to the business or operations of Target or any Target Subsidiary that has had, or would reasonably be expected to have, a Target Material Adverse Effect; or

(g) any split, combination or reclassification of any of Target's stock or any issuance or the authorization of any issuance of any other securities in respect of, in lieu of or in substitution for, or giving the right to acquire by exchange or exercise, shares of its stock or any issuance of an ownership interest in, any Target Subsidiary.

SECTION 3.8. ENVIRONMENTAL MATTERS. Except as disclosed in Section 3.8 of the Target Disclosure Letter and except as would not have a Target Material Adverse Effect:

(a) No judicial, administrative or compliance order has been issued that is still in effect, no complaint has been filed that has not been resolved without further obligation, no penalty has been assessed that has not been paid and no investigation or review is pending or, to the Knowledge of Target, threatened by any Governmental Entity with respect to any alleged failure by Target or any Target Subsidiary to comply with any Environmental Law, including any alleged failure to have any Target Permit required under any Environmental Law, or with respect to any treatment, storage, recycling, transportation, disposal, Release or threatened

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Release by or on behalf of Target or any Target Subsidiary, or on any property owned, operated or leased by Target or any Target Subsidiary, of any Hazardous Material;

(b) Neither Target nor any Target Subsidiary nor, to the Knowledge of Target, any owner or lessee of any property owned, operated or leased by Target or any Target Subsidiary, has used, generated, stored, treated or handled any Hazardous Material on such property, except in compliance with Environmental Laws. In addition: (i) there are no asbestos-containing materials present on, in or under any property owned, leased or operated by Target or any Target Subsidiary, (ii) there are no PCBs present on, in or under any property owned, leased or operated by Target or any Target Subsidiary and (iii) there are no underground storage tanks, active or abandoned, used for the storage of Hazardous Materials currently present on, in or under any property owned, leased or operated by Target or any Target Subsidiary, except in each case where in compliance with Environmental Laws;

(c) Target and the Target Subsidiaries have not received notice of a claim, investigation, litigation, proceeding, notice of violation, complaint, or request for information that has not been resolved without further obligation, to the effect that it is or may be liable to a third party, including a Governmental Entity, as a result of a Release or threatened Release of a Hazardous Material, including exposure to any Hazardous Material, at any property currently or formerly owned, leased or operated by Target or a Target Subsidiary, and to the Knowledge of Target, there is no reasonable basis for such claim, investigation, litigation, proceeding, notice of violation, complaint, or request for information;

(d) None of Target, any Target Subsidiary and, to the Knowledge of Target, any Third Party has transported or arranged for the transportation of any Hazardous Material to any location which is the subject of any action, suit or proceeding that could be reasonably expected to result in claims against Target or any Target Subsidiary related to such Hazardous Material for clean-up costs, remedial work, damages to natural resources or personal injury claims, including, but not limited to, claims under CERCLA and, to the Knowledge of Target, there is no reasonable basis for such claim. To the Knowledge of Target, all Hazardous Material which has been removed from any property owned, leased, or operated by Target or any Target Subsidiary has been handled, transported and disposed of in compliance with Environmental Laws and by handlers, transporters and to facilities maintaining all required permits and licenses;

(e) There are no Encumbrances threatened or attached to any Target Property arising under or pursuant to any applicable Environmental Law, and no action of any Governmental Entity has been taken or, to the Knowledge of Target, is in process which could subject any of such properties to such Encumbrances;

(f) Neither Target nor any Target Subsidiary has entered into any agreement to provide indemnification to any Third Parties pursuant to Environmental Laws in relation to any property or facility currently or previously owned, leased or operated by Target or a Target Subsidiary, other than indemnity agreements in favor of lenders entered into in connection with any loan or credit agreements;

(g) Neither Target nor any Target Subsidiary has in its possession

or control or knows of the existence of any environmental assessment or investigation reports prepared

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within the last four years that have not been provided to Purchasers prior to the execution of this Agreement;

(h) Each of the Target Properties and operations conducted thereon is in compliance with all Environmental Laws and Target and all Target Subsidiaries are in compliance with all Environmental Laws applicable to any of their owned or leased properties; and

(i) There has been no Release or threatened Release of Hazardous Material in violation of any Environmental Law or which would reasonably be expected to result in liability on any property owned, leased or operated by Target or any Target Subsidiary or, to the Knowledge of Target, on adjacent parcels of real estate.

SECTION 3.9. PROPERTIES.

(a) Except as listed in Section 3.9(a) of the Target Disclosure Letter, Target or a Target Property Owner owns fee simple title to each of the real properties (or the applicable portion thereof) described on Section 3.9(a) of the Target Disclosure Letter as being owned in fee (collectively, the "OWNED PROPERTIES"). Except as listed in Section 3.9(a) of the Target Disclosure Letter, Target or a Target Property Owner has a valid leasehold interest in each of the real properties (or the applicable portion thereof) described on Section 3.9(a) of the Target Disclosure Letter as being ground (or air-rights) leases or subleases (collectively, the "LEASED PROPERTIES" and, together with the Owned Properties, collectively, the "TARGET PROPERTIES") pursuant to those certain ground (or air-rights) leases or subleases (together with any amendments thereto, collectively, the "TARGET GROUND LEASES") described on Section 3.9(a) of the Target Disclosure Letter. The Target Properties are all of the real properties owned or leased by Target and the Target Property Owners. The interests of Target and the Target Property Owners in the Target Properties are good, marketable and insurable and the same are owned free and clear of Encumbrances except for (i) indebtedness for money borrowed and other matters specifically identified in Section 3.9(a) of the Target Disclosure Letter, (ii) inchoate Encumbrances imposed for construction work in progress described on Section 3.9(a) of the Target Disclosure Letter or otherwise incurred in the ordinary course of business that do not adversely affect in any material respects the use or operation of the applicable Target Property (together with clause (i), the "PERMITTED ENCUMBRANCES"), (iii) Space Leases, reciprocal easement agreements and all matters disclosed on the existing title policies which were previously provided (or made available) to Purchaser ("EXISTING TITLE POLICIES"), matters as would be disclosed on current title reports or surveys that arise in the ordinary course and do not adversely affect in any material respects the use or operation of the applicable Target Property or as disclosed in Section 3.9(a) of the Target Disclosure Letter and (iv) real estate Taxes and special assessments not yet due and payable (except as is being contested in good faith by appropriate proceedings and for which a reserve in accordance with United States GAAP has been set forth in Section 3.9(a) of the Target Disclosure Letter and on the books of Target or a Target Property Owner, as applicable).

(b) Except as listed in Section 3.9(b) of the Target Disclosure Letter or which, individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect, the Target Properties are not subject to any rights of way, restrictive covenants,

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written agreements, Laws, ordinances and regulations affecting building use or occupancy, or reservations of an interest in title (collectively, "TARGET PROPERTY RESTRICTIONS"), except for (i) Target Property Restrictions imposed or promulgated by Law with respect to real property, including zoning regulations, (ii) the Space Leases, (iii) all matters disclosed on the Existing Title Policies, matters as would be disclosed on current title reports or surveys that arise in the ordinary course and do not adversely affect in any material respects the use or operation of the applicable Target Property or as disclosed in Section 3.9(b) of the Target Disclosure Letter and (iv) real estate Taxes and special assessments not yet due and payable. Except as listed in Section 3.9(b) of the Target Disclosure Letter or which, individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect, (i) each Target Property complies with the Target Property Restrictions, (ii) neither Target nor any Target Property Owner, nor, to the Knowledge of Target, any other party, is currently in default or violation of any Target Property Restriction and (iii) no event has occurred which, with due notice or lapse of time or both, would constitute a default thereunder.

(c) Except as listed in Section 3.9(c) of the Target Disclosure Letter, valid policies of title insurance have been issued insuring Target's or a Target Property Owner's fee simple title or leasehold estate to the Target Properties except as noted therein, and, to the Knowledge of Target, such policies are in full force and effect and no claim has been made against any such policy.

(d) Except as listed in Section 3.9(d) of the Target Disclosure Letter or which, individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect, to the Knowledge of Target, there is no certificate, permit or license from any Governmental Entity having

jurisdiction over any of the Target Properties or any agreement (including without limitation any reciprocal easement agreement), easement or any other right which is necessary to permit the current use and operation of the buildings and improvements on any of the Target Properties or which is necessary to permit the current use and operation of all driveways, roads and other means of egress and ingress to and from any of the Target Properties (collectively, the "PROPERTY AGREEMENTS") that has not been obtained and is not in full force and effect, or any pending threat of modification or cancellation of any of same. Except as listed in Section 3.9(d) of the Target Disclosure Letter or which, individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect, (i) neither Target nor any Target Property Owner, nor to the Knowledge of Target, any other party, is currently in default or violation of any Property Agreement and (ii) to the Knowledge of Target no event has occurred which, with due notice or lapse of time or both, would constitute a default or violation thereunder.

(e) Except as listed in Section 3.9(e) of the Target Disclosure Letter or which, individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect, neither Target nor any Target Property Owner has received written notice of any violation of any federal, state or municipal Law, ordinance, order, regulation or requirement affecting any portion of any of the Target Properties issued by any Governmental Entity that has not been heretofore remedied.

(f) Except as listed in Section 3.9(f) of the Target Disclosure Letter or which, individually or in the aggregate, would not reasonably be expected to have a Target Material

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Adverse Effect, neither Target nor any Target Property Owner has received written notice to the effect that there are any, and there are no, (i) condemnation or rezoning or proceedings that are pending or, to the Knowledge of Target, threatened with respect to any portion of any of the Target Properties; or (ii) zoning, building, land-use, fire, safety and signage or other applicable Laws (including, without limitation, the American With Disabilities Act) or orders that are presently being violated or will be violated by the continued maintenance, operation or use of any buildings or other improvements on any of the Target Properties or by the continued maintenance, operation or use of the parking areas.

(g) Except as listed in Section 3.9(g) of the Target Disclosure Letter, neither Target nor any Target Property Owner is obligated under any option, right of first refusal or other contractual right to sell, dispose of or lease any of the Target Properties or other personal property or any portion thereof or interest therein to any Person other than Purchasers.

(h) Each Target Ground Lease is valid, binding and enforceable against Target (or any Target Property Owner, as applicable) and, to the Knowledge of Target, the other parties thereto in accordance with its terms, and is in full force and effect. Except as listed in Section 3.9(h) of the Target Disclosure Letter or which, individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect, (i) Target has performed all obligations required to be performed by it to date under each of the Target Ground Leases and (ii) neither Target nor any Target Property Owner, nor to the Knowledge of Target, any other party, is in default under any Target Ground Lease (and no event has occurred which, with due notice or lapse of time or both, would constitute such a default). Target has delivered (or made available) to Purchaser a true, correct and complete copy of each Target Ground Lease and all amendments thereto. No option has been exercised under any of such Target Ground Leases, except options whose exercise has been evidenced by a written document as described in Section 3.9(h) of the Target Disclosure Letter, a true, complete and accurate copy of which has been delivered to Purchaser with the corresponding Target Ground Lease.

(i) The rent roll for each of the Target Properties as of November 30, 2001 (collectively, the "RENT ROLL") has been provided or made available to Purchasers. Except as disclosed in Section 3.9(i) of the Target Disclosure Letter and for discrepancies that, either individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect, the information set forth in the Rent Roll is true, correct and complete as of the date thereof. Except as disclosed in Section 3.9(i) of the Target Disclosure Letter, neither Target nor any Target Property Owner, on the one hand, nor, to the Knowledge of Target, any other party, on the other hand, is in default under any Anchor Tenant Lease which, individually or in the aggregate, would reasonably be expected to result in a Target Material Adverse Effect.

(j) Except as set forth in Section 3.9(j) of the Target Disclosure Letter or which, individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect, Target and each of the Target Property Owners have good and sufficient title to, or are permitted to use under valid and existing leases, all their personal and non-real properties and assets (collectively, the "PERSONAL PROPERTY") reflected in their books and records as being owned by them (including those reflected in the consolidated balance sheet of Target as of February 28, 2001, except as since sold or otherwise disposed of in the ordinary course of business) or used by them in the ordinary course of business, free and clear of all liens

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and encumbrances, except such as are reflected on the consolidated balance sheet

of Target as of February 28, 2001, and the notes thereto, and except for liens for current Taxes not yet due and payable, and liens or encumbrances which are normal to the business of Target and the Target Property Owners and are not, in the aggregate, material in relation to the assets of Target on a consolidated basis and except also for such imperfections of title or leasehold interest, easement and encumbrances, if any, as do not materially interfere with the present use of the properties subject thereto or affected thereby, or as would not otherwise reasonably be expected to cause a Target Material Adverse Effect.

(k) Except as set forth in Section 3.9(k) of the Target Disclosure Letter or which, individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect, there are no pending CAM or similar audits by any Third Party.

SECTION 3.10. NO UNDISCLOSED MATERIAL LIABILITIES. Except as disclosed in the Target Filings or as set forth in Section 3.10 of the Target Disclosure Letter or as otherwise would not reasonably be expected to have a Target Material Adverse Effect, there are no liabilities of Target or any Target Subsidiaries, whether accrued, contingent, absolute or determined, other than: (i) liabilities adequately provided for on the balance sheet of Target dated as of February 28, 2001 (including the notes thereto) contained in the Annual Accounts for the fiscal year ended February 28, 2001 of Target or (ii) liabilities incurred in the ordinary course of business subsequent to February 28, 2001.

SECTION 3.11. NO DEFAULT. Except as set forth in Section 3.11 of the Target Disclosure Letter, neither Target nor any of the Target Subsidiaries is in default or violation (and no event has occurred which, with notice or the lapse of time or both, would constitute a default or violation) of any term, condition or provision of:

(a) the Target Organizational Documents or the comparable charter or organizational documents (including any operating agreement or limited partnership agreement) of any of the Target Subsidiaries,

(b) any loan or credit agreement or note, including, but not limited to, the Triggered Loans or any bond, mortgage, indenture, lease or other agreement, instrument, permit, concession, franchise or license to which Target or any of the Target Subsidiaries is now a party or by which Target or any of the Target Subsidiaries or any of their respective properties or assets is bound, or

(c) any order, writ, injunction, decree, statute, rule or regulation applicable to Target or any of the Target Subsidiaries, except, in the case of clauses (b) and (c), for defaults or violations which, individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect.

SECTION 3.12. COMPLIANCE WITH APPLICABLE LAWS. Target and the Target Subsidiaries hold all permits, licenses, certificates, registrations, variances, exemptions, orders, franchises and approvals of all Governmental Entities necessary for the lawful conduct of their respective businesses (the "TARGET PERMITS"), except where the failure to so hold, individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect. Target

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and the Target Subsidiaries are in compliance with the terms of Target Permits, except where the failure to so comply, individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect. Except as disclosed in the Target Filings and as would not reasonably be expected to have a Target Material Adverse Effect, the businesses of Target and the Target Subsidiaries are not being conducted in violation of any Law (other than Environmental Laws (as to which, representations are made in Section 3.8 hereof)) of any Governmental Entity. No investigation or review by any Governmental Entity with respect to Target or any of the Target Subsidiaries is pending and of which Target has Knowledge or, to the Knowledge of Target, is threatened, other than those the outcome of which, individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect.

SECTION 3.13. LITIGATION. Except (i) as set forth in Section 3.13 of the Target Disclosure Letter, (ii) litigation related to environmental matters, including without limitation any matters arising under Environmental Laws (as to which, representations are made in Section 3.8 hereof) and (iii) for routine litigation arising from the ordinary course of business of Target and the Target Subsidiaries which are adequately covered by insurance, there is no litigation, arbitration, claim, investigation, suit, action or proceeding pending in which service of process has been received by an employee of Target or, to the Knowledge of Target, threatened against or affecting Target or any Target Subsidiary that, individually or in the aggregate, would reasonably be expected to have a Target Material Adverse Effect, nor is there any judgment, award, decree, injunction, rule or order of any Governmental Entity or arbitrator outstanding against Target or any Target Subsidiary of which Target has Knowledge and which would reasonably be expected to, individually or in the aggregate, have a Target Material Adverse Effect.

SECTION 3.14. TAXES. Except as set forth in Section 3.14 of the Target Disclosure Letter:

(a) Target and each Target Subsidiary has timely filed all Tax

Returns required to be filed by it (after giving effect to any filing extension properly granted by a Governmental Entity having authority to do so or otherwise permitted by Law). Each such Tax Return is true, correct and complete in all material respects. Target and each Target Subsidiary has paid, within the time and in the manner prescribed by Law, all Taxes that are due and payable. The most recent financial statements contained in the Target Filings and the financial statements of Hexalon filed prior to the date of this Agreement reflect an adequate reserve or accrued liabilities or expenses for all Taxes due and payable by Target and the Target Subsidiaries for all taxable periods and portions thereof through the date of such financial statements. Target has established on its books and records reserves or accrued liabilities or expenses that are adequate for the payment of all Taxes for which Target or any Target Subsidiary is liable but are not yet due and payable. No deficiencies for Taxes have been asserted or assessed in writing by a Governmental Entity against Target or any Target Subsidiary, including claims by any Governmental Entity in a jurisdiction where Target or any Target Subsidiary does not file Tax Returns and no requests for waivers of the time to assess any such Taxes have been granted and remain in effect or are pending.

(b) All Taxes which Target or the Target Subsidiaries are required by Law to withhold or collect, including Taxes required to have been withheld in connection with amounts

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paid or owing to any employee, independent contractor, creditor, stockholder or other third party and sales, gross receipts and use taxes, have been duly withheld or collected and, to the extent required, have been paid over to the proper Governmental Entities or are held in separate bank accounts for such purpose. There are no Encumbrances for Taxes upon the assets of the Target Subsidiaries except for statutory Encumbrances for Taxes not yet due.

(c) The Tax Returns of Target and any Target Subsidiary have not been audited by any taxing authority and there are no audits by and contests with any taxing authority currently being conducted with regard to Taxes or Tax Returns of Target, any Target Subsidiary and any Target Non-Purchased Entity and, to the Knowledge of Target, there are no audits pending with or proposed by any taxing authority with respect to any Taxes or Tax Returns.

(d) None of Target or the Target Subsidiaries have any liability for the Taxes of any Person other than Target or the Target Subsidiaries and Target and the Target Subsidiaries do not have any liability for the Taxes of any Person other than Target or the Target Subsidiaries either (i) under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or foreign Law) or (ii) to the Knowledge of Target as a transferee or successor.

(e) Each Target Subsidiary that is a U.S. corporation has disclosed to the IRS all positions taken on their federal income Tax Returns which could give rise to a substantial understatement of Tax under Section 6662 of the Code.

(f) Based on the assumptions as to purchase price allocations to specific assets provided by the Purchasers' and as set forth in the Pro Forma Tax Returns, the consummation of the transactions contemplated by this Agreement and the Transaction Documents will not result in any Taxes being payable by any Target, any Target Subsidiary, any Target Non-Purchased Entity or any Purchaser to any Governmental Entity, except for (i) Excluded Taxes, (ii) Transfer and Gain Taxes not exceeding \$15,000,000 in the aggregate and (iii) other Taxes in an aggregate amount not to exceed \$3,000,000.

(g) Target (i) has been subject to taxation as a BI within the meaning of Article 28 of the Netherlands Corporate Income Tax Act of 1969, as amended, commencing with the first taxable year of its operations, and has satisfied all requirements to qualify as a BI for such year and each year thereafter, (ii) has operated, and intends to continue to, operate in such manner as to qualify as a BI until the Closing and until the time the proceeds from the proceeds from the Purchase are distributed to the shareholders of Target in accordance with the Protocol.

(h) Hexalon (i) has been subject to taxation as a REIT within the meaning of Section 856 of the Code commencing with the first taxable year of its operations, and has satisfied all requirements to qualify as a REIT for such year and each year thereafter, (ii) has operated, and intends to continue to operate, in such a manner as to qualify as a REIT for the taxable year ending December 31, 2001, and thereafter until the Closing and has no liability for taxes under Section 11, 857(b), 860(c) or 4981 of the Code and (iii) has not taken or omitted to take any action which would reasonably be expected to (A) result in any rents paid by the tenants of the Properties to be excluded from the definition of "rents from real property" under Section 856(d)(2)(C) of the Code, or (B) otherwise result in a challenge to its status as a REIT, and no such challenge is pending or, to the Knowledge of Target is threatened. Each Subsidiary

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of Hexalon and any Person Hexalon owns an interest in which is a partnership, joint venture or limited liability company (i) has been since its formation and continues to be treated for federal income tax purposes as a partnership and not as a corporation or an association taxable as a corporation or ignored as a separate entity, as the case may be, and (ii) has not since its formation owned any assets (including, without limitation, securities) that would cause Hexalon to violate Section 856(c)(4) of the Code. Each Subsidiary

of Hexalon which is a corporation or treated as an association taxable as a corporation and any Person in which Hexalon owns 10% or more, by vote or by value, of such Person's outstanding securities, is a qualified REIT subsidiary under Section 856(i) of the Code or a taxable REIT subsidiary under Section 856(l) of the Code.

(i) Except as set forth in the Urban Tax Indemnification Agreement, neither Target nor any Target Subsidiary has entered into or is subject, directly or indirectly, to any "Tax Protection Agreements." As used herein, a Tax Protection Agreement is an agreement, oral or written, (A) that has as one of its purposes to permit a person or entity to take the position that such person or entity could defer federal taxable income that otherwise might have been recognized upon a transfer of property to the Target Partnership or any other Target Subsidiary that is treated as a partnership for federal income tax purposes, and (B) that (i) prohibits or restricts in any manner the disposition of any assets of Target or any Target Subsidiary, (including, without limitation, requiring Target or any Target Subsidiary to indemnify any person for any tax liabilities resulting from any such disposition), (ii) requires that Target or any Target Subsidiary maintain, or put in place, or replace, indebtedness, whether or not secured by one or more of the Target Properties, or (iii) requires that Target or any Target Subsidiary offer to any person or entity at any time the opportunity to guarantee or otherwise assume, directly or indirectly, the risk of loss for federal income tax purposes for indebtedness or other liabilities of Target or any Target Subsidiary.

(j) Neither Target nor any Target Subsidiary is a party to, is bound by or has an obligation under any Tax sharing agreement, Tax indemnification agreement or similar contract or arrangement (other than Urban Tax Indemnification Agreement), including any agreement, contract or arrangement providing for the sharing or ceding of credits or losses, or has a potential liability or obligation as a result of or pursuant to any such agreement, contract, arrangement or commitment. No closing agreement pursuant to section 7121 of the Code (or any predecessor provision) or any similar provision of any state, local or foreign has been entered into by or on behalf of the Target or any Subsidiary. No power of attorney or similar document which is currently in force has been granted by Target or any Target Subsidiary with respect to any matter relating to Taxes.

SECTION 3.15. PENSION AND BENEFIT PLANS; ERISA. Except as set forth in Section 3.15 of the Target Disclosure Letter:

(a) All "employee pension benefit plans," as defined in Section 3(2) of ERISA, maintained or contributed to by Target or any trade or business (whether or not incorporated) which is under common control, or which is treated as a single employer, with Target under Section 414(b), (c), (m) or (o) of the Code (a "TARGET ERISA AFFILIATE") or to which Target or any of the Target Subsidiaries or any Target ERISA Affiliate contributed or is obligated to contribute thereunder within six years prior to the Closing (the "TARGET PENSION PLANS") intended to qualify under Section 401 of the Code have received a favorable

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determination letter from the IRS and such determination has not been modified, revoked or limited, and, to the Knowledge of Target as of the Closing Date, nothing has occurred with respect to the operation of Target Pension Plans that could reasonably be expected to cause the loss of such qualification or the imposition of any material liability, penalty or Tax under ERISA or the Code.

(b) Neither Target nor any Target ERISA Affiliate currently sponsors, contributes to, maintains or has liability (whether contingent or otherwise) under (i) a "multiemployer plan" (as defined in Section 4001(a)(3) of ERISA) or (ii) an employee benefit plan that is or was subject to Part 3 of Subtitle B of Title I of ERISA, Section 412 of the Code, or Title IV of ERISA.

(c) To the Knowledge of Target, there is no violation of ERISA or the Code with respect to (i) the filing of applicable reports, documents, and notices with the Secretary of Labor and the Secretary of the Treasury regarding all "employee benefit plans," as defined in Section 3(3) of ERISA, and all other employee compensation and benefit arrangements or payroll practices, including, without limitation, severance pay, sick leave, vacation pay, salary continuation for disability, consulting or other compensation agreements, retirement, deferred compensation, bonus (including, without limitation, any retention bonus plan), long-term incentive, stock option, stock purchase, hospitalization, medical insurance, life insurance and scholarship programs maintained by Target or any of the Target Subsidiaries or with respect to which Target or any of the Target Subsidiaries has any liability or Target Pension Plans (all such plans, including Target Pension Plans, being hereinafter referred to as the "TARGET EMPLOYEE BENEFIT PLANS") or (ii) the furnishing of such documents to the participants or beneficiaries of Target Employee Benefit Plans.

(d) Each Target Employee Benefit Plan, related trust (or other funding or financing arrangement) and all amendments thereto are listed in Section 3.15(d) of the Target Disclosure Letter, true and complete copies of which have been made available to Purchasers, as have the most recent summary plan descriptions, administrative service agreements, Form 5500s and, with respect to any Target Employee Benefit Plan intended to be qualified pursuant to Section 401(a) of the Code, a current IRS determination letter.

(e) Each Target Employee Benefit Plan is, and its administration is and has been, in material compliance with, and none of Target nor any of the Target Subsidiaries has received any claim, notice or information that any such

Target Employee Benefit Plan is not in compliance with, its terms and all applicable Laws, regulations, rulings and all other applicable governmental Laws, regulations and orders, and prohibited transaction exemptions, including, without limitation, the requirements of ERISA, bonding requirements and the furnishing of documents to the participants and beneficiaries (and other individuals entitled to such documents) of each such plan.

(f) To the Knowledge of Target, there is no liability for breaches of fiduciary duty in connection with Target Employee Benefit Plans, and neither Target nor any of the Target Subsidiaries or any "party in interest" or "disqualified person" with respect to Target Employee Benefit Plans has engaged in a non-exempt "prohibited transaction" within the meaning of Section 4975 of the Code or Section 406 of ERISA.

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(g) There are no actions, disputes, suits, claims, arbitration or legal, administrative or other proceeding or governmental investigation pending (other than routine claims for benefits) or, to the Knowledge of Target, threatened, alleging any breach of the terms of any Target Employee Benefit Plan or of any fiduciary duties thereunder or violation of any applicable Law with respect to any such Target Employee Benefit Plan.

(h) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby, whether alone, or in connection with any other event, will (i) result in any payment (including, but not limited to, any retention bonuses, parachute payments or noncompetition payments) becoming due to any employee or former employee or group of employees or former employees of Target or any of the Target Subsidiaries; (ii) increase any benefits otherwise payable under any Target Employee Benefit Plan or any Target Employment Agreement; (iii) result in the acceleration of the time of payment or vesting of any such rights or benefits; or (iv) result in the payment of any "excess parachute payment" within the meaning of Section 280G of the Code with respect to a current or former employee of Target or any of the Target Subsidiaries.

(i) There are no severance agreements or policies, noncompetition agreements or employment agreements between Target or any of the Target Subsidiaries and any employee of Target or such Target Subsidiary, and true and complete copies of all severance agreements and policies and employment agreements described in Section 3.15(i) of the Target Disclosure Letter have been provided to Purchasers.

(j) Neither Target nor any of the Target Subsidiaries has any consulting agreement or arrangement, whether oral or written, with any Person involving annual compensation in excess of \$100,000.

(k) All contributions, premiums and other payments required by Law or any Target Employee Benefit Plan or applicable collective bargaining agreement have been made under any such plan to any fund, trust or account established thereunder or in connection therewith by the due date thereof, and no amounts are or will be due to the Pension Benefit Guaranty Corporation as of the Closing Date (except for premiums in the ordinary course of business, which will be payable by Target); and any and all contributions, premiums and other payments with respect to compensation or service before and through the Closing Date, or otherwise with respect to periods before and through the Closing Date, due from any of Target or its ERISA Affiliates to, under or on account of each Target Employee Benefit Plan shall have been paid prior to the Closing Date or shall have been fully reserved and provided for or accrued on Target financial statements.

(l) No stock or other security issued by Target or any of the Target Subsidiaries forms or has formed a part of the assets of any Target Employee Benefit Plan.

(m) No Target Employee Benefit Plan that is a "welfare benefit plan" as defined in Section 3(1) of ERISA provides for continuing benefits or coverage for any participant or beneficiary or covered dependent of a participant after such participant's termination of employment, except to the extent required by Law.

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(n) All Target Employee Benefit Plans that provide medical, dental health or long-term disability benefits are fully insured and claims with respect to any participant or covered dependent under such Target Employee Benefit Plan could not reasonably result in any uninsured liability to Target, any Target Subsidiary or Purchasers. Target and Target ERISA Affiliates have complied in all material respects with the requirements of Section 4980B of the Code and Parts 6 and 7 of Subtitle B of Title I of ERISA regarding health care coverage under Target Employee Benefit Plans.

(o) No amount has been paid by Target or any of Target ERISA Affiliates, and no amount is expected to be paid by Target or any of Target ERISA Affiliates, which would be subject to the provisions of Section 162(m) of the Code such that all or a part of such payments would not be deductible by the payor.

(p) Without limiting any other provision of this SECTION 3.15, no event has occurred and no condition exists, with respect to any Target Employee Benefit Plan, that has subjected or could subject Target or any Target ERISA

Affiliate, or any Target Employee Benefit Plan or any successor thereto, to any Tax, fine, penalty or other liability (other than, in the case of Target, a Target ERISA Affiliate and Target Employee Benefit Plans, a liability arising in the normal course to make contributions or payments, as applicable, when ordinarily due under a Target Employee Benefit Plan with respect to employees of Target and the Target Subsidiaries). No event has occurred and no condition exists, with respect to any Target Employee Benefit Plan that could subject Purchasers or any of its Affiliates, or any plan maintained by Purchasers or any of their Affiliates (other than an Affiliate which becomes such pursuant to the transactions contemplated by this Agreement) thereof, to any Tax, fine, penalty or other liability, that would not have been incurred by Purchasers or any of their Affiliates, or any such plan, but for the transactions contemplated hereby. No plan other than a Target Employee Benefit Plan is or will be directly or indirectly binding on Purchasers by virtue of the transactions contemplated hereby. Purchasers and their Affiliates, including on and after the Closing Date, Target and any Target ERISA Affiliate, to the knowledge of Target, shall have no liability for, under, with respect to or otherwise in connection with any plan, which liability arises under ERISA or the Code, by virtue of Target or any Target Subsidiary being aggregated in a controlled group or affiliated service group with any Target ERISA Affiliate for purposes of ERISA or the Code at any relevant time prior to the Closing Date (other than a liability from providing benefits arising in the ordinary course of business).

(q) Each Target Employee Benefit Plan may be unilaterally amended or terminated in its entirety by Target without liability except as to benefits accrued thereunder prior to amendment or termination.

(r) All individual employment, termination, severance, change in control, retention, bonus, post-employment and other compensation agreements, arrangements and plans existing prior to the execution of this Agreement or which will exist prior to the Closing, which are between Target or a Target Subsidiary and any current or former director, officer or employee thereof, including the name of such current or former director, officer or employee, the type of agreement and the amount of any estimated severance payment (including estimated gross up) owed thereunder due to the transactions contemplated by this Agreement and any

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subsequent termination of employment, are listed in Section 3.15(r) the Target Disclosure Letter (collectively, the "TARGET EMPLOYMENT AGREEMENTS").

SECTION 3.16. LABOR AND EMPLOYMENT MATTERS. Except as set forth in Section 3.16 of the Target Disclosure Letter or as would not be reasonably expected to have a Target Material Adverse Effect:

(a) Neither Target nor any of the Target Subsidiaries is a party to any collective bargaining agreement or other current labor agreement with any labor union or organization, and there is no question involving current union representation of employees of Target or any of the Target Subsidiaries, nor does Target or any of the Target Subsidiaries know of any activity or proceeding of any labor organization (or representative thereof) or employee group (or representative thereof) to organize any such employees.

(b) There is no unfair labor practice charge or grievance arising out of a collective bargaining agreement or other grievance procedure pending, or, to the Knowledge of Target, threatened against Target or any of the Target Subsidiaries.

(c) There is no complaint, lawsuit or proceeding in any forum by or on behalf of any present or former employee, any applicant for employment or any classes of the foregoing, alleging breach of any express or implied contract of employment, any Law or regulation governing employment or the termination thereof or other discriminatory, wrongful or tortious conduct in connection with the employment relationship pending, or, to the Knowledge of Target, threatened against Target or any of the Target Subsidiaries.

(d) There is no strike, slowdown, work stoppage or lockout pending, or, to the Knowledge of Target, threatened, against or involving Target or any of the Target Subsidiaries.

(e) The employees of Target and the Target Subsidiaries are lawfully authorized to work in the United States according to federal immigration Laws.

(f) Target and each of the Target Subsidiaries are in compliance with all applicable Laws in respect of employment and employment practices, terms and conditions of employment, wages, hours of work and occupational safety and health.

(g) As of the date of this Agreement, there is no proceeding, claim, suit, action or governmental investigation pending or, to the Knowledge of Target, threatened, with respect to which any current or former director, officer, employee or agent of Target or any of the Target Subsidiaries is claiming indemnification from Target or any of the Target Subsidiaries.

SECTION 3.17. CONTRACTS

(a) Section 3.17(a) of the Target Disclosure Letter lists all Material Contracts of Target and all Target Subsidiaries. Except as set forth in Section 3.17(a) of the Target Disclosure Letter or in the Target Filings, each Material Contract of Target or a Target Subsidiary is valid, binding and enforceable and in full force and effect, except where such failure to be so

valid, binding and enforceable and in full force and effect would not, individually

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or in the aggregate, reasonably be expected to have a Target Material Adverse Effect, and there are no defaults or violations thereunder, nor does there exist any condition which upon the passage of time or the giving of notice or both would cause such a violation of or a default thereunder, except those defaults or violations that would not, individually or in the aggregate, reasonably be expected to have a Target Material Adverse Effect. Target has made available, or caused to be made available, to Purchasers true and complete copies of each Material Contract and all ancillary documents pertaining thereto.

(b) All mortgages, deeds of trust, loan agreements or other documents on any of the Assets are listed in Section 3.17(b) of the Target Disclosure Letter. The transactions contemplated hereby and by the Transaction Documents will not trigger any due-on-sale provision on any of such mortgages, deeds of trust, loan agreements or other documents, except as set forth in Section 3.17(b) of the Target Disclosure Letter and will not require the consent of any mortgage lender, except as set forth in Section 3.17(b) of the Target Disclosure Letter.

(c) Except as set forth in Section 3.17(c) of the Target Disclosure Letter, there is no confidentiality agreement, non-competition agreement or other contract or agreement that contains covenants that restrict Target's ability to conduct its business in any location.

(d) Except as set forth in Section 3.17(d) of the Target Disclosure Letter, there are no indemnification agreements entered into by and between Target and any director or officer of Target or any of the Target Subsidiaries.

(e) All joint venture agreements are listed in Section 3.17(e) of the Target Disclosure Letter. The transactions contemplated by this Agreement and the Transaction Documents will not trigger any termination, buy-sell, transfer, option, right of first refusal, right of first offer, tag-along or any similar right by any party under any of such joint venture agreements, except as set forth in Section 3.17(e) of the Target Disclosure Letter and will not require the consent of any joint venture partner, except as set forth in Section 3.17(e) of the Target Disclosure Letter.

SECTION 3.18. INTANGIBLE PROPERTY. Target and the Target Subsidiaries own, possess or have adequate rights to use all trademarks, trade names, patents, service marks, brand marks, brand names, computer programs, databases, industrial designs, domain names and copyrights currently used in the operation of the businesses of each of Target and the Target Subsidiaries (collectively, the "TARGET INTANGIBLE PROPERTY"), except where the failure to possess or have adequate rights to use such property, individually or in the aggregate, would not reasonably be expected to have a Target Material Adverse Effect. Section 3.18 of the Target Disclosure Letter sets forth a list of all trademarks, trade names, patents, service marks and domain names owned by Target or any Target Subsidiary. All of Target Intangible Property is owned or licensed by Target or the Target Subsidiaries free and clear of any and all Encumbrances, except as would not, individually or in the aggregate, reasonably be expected to have a Target Material Adverse Effect, and neither Target nor any such Target Subsidiary has forfeited or otherwise relinquished any Target Intangible Property. To the Knowledge of Target, the use of Target Intangible Property by Target or the Target Subsidiaries does not in any material respect, conflict with, infringe upon, violate or interfere with or constitute an appropriation of any right, title, interest or goodwill, including, without limitation, any intellectual property right, trademark, trade name,

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patent, service mark, brand mark, brand name, computer program, database, industrial design, copyright or any pending application therefore, of any other Person. Except as set forth in Section 3.18 of the Target Disclosure Letter, to the Knowledge of Target, there have been no claims made, and neither Target nor any of the Target Subsidiaries has received any notice of any claim nor does Target otherwise have Knowledge that any of Target Intangible Property is invalid or conflicts with the asserted rights of any other Person or has not been used or enforced or has failed to have been used or enforced in a manner that would result in the abandonment, cancellation or unenforceability of any of Target Intangible Property, except as would not, individually or in the aggregate, reasonably be expected to have a Target Material Adverse Effect.

SECTION 3.19. INSURANCE. Section 3.19 of the Target Disclosure Letter sets forth an insurance schedule of Target. Target and each of the Target Subsidiaries maintains insurance with financially responsible insurers in such amounts and covering such risks as are in accordance with normal industry practice for companies engaged in businesses similar to those of Target and each of the Target Subsidiaries. Except as set forth in this SECTION 3.19, neither Target nor any of the Target Subsidiaries has received any written notice of cancellation or termination with respect to any existing material insurance policy of Target or any of the Target Subsidiaries.

SECTION 3.20. BROKERS. Except for the fees and expenses payable to the Target Financial Advisor (which fees and the engagement letter with respect to such Person have been disclosed to Purchasers), no broker, investment banker or other Person is entitled to any broker's, finder's or other similar fee or commission in connection with the transactions contemplated by the Transaction

Documents based upon arrangements made by or on behalf of Target or any Target Subsidiary.

SECTION 3.21. RELATED PARTY TRANSACTIONS. Except as disclosed in the Target Filings or as set forth in Section 3.21 of the Target Disclosure Letter, there are no material arrangements, agreements or contracts entered into by Target or any of the Target Subsidiaries, on the one hand, and any Person who is an officer, director or affiliate of Target or any Target Subsidiary, any relative of the foregoing or an entity of which any of the foregoing is an affiliate, on the other hand. Copies of all such documents have been made available to Purchasers.

SECTION 3.22. OPINION OF FINANCIAL ADVISOR. The Supervisory Board and the Management Board of Target have received the written opinion of the Target Financial Advisor to the effect that, based on, and subject to the various assumptions and qualifications set forth in such opinion, as of the date of such opinion, the Purchase Price to be received by Target pursuant to this Agreement is fair from a financial point of view to Target's shareholders. A copy of the written opinion of the Target Financial Advisor has been delivered to the Purchasers.

SECTION 3.23. INVESTMENT COMPANY ACT OF 1940. Neither the Target nor any of the Target Subsidiaries is, or at the Closing will be, required to be registered as an investment company under the Investment Company Act of 1940, as amended.

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ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE PURCHASER PARTIES

As an inducement to Target to enter into this Agreement, each Purchaser Party hereby jointly and severally represents and warrants to Target as follows:

SECTION 4.1. ORGANIZATION, STANDING AND POWER. Each Purchaser Party is a corporation, limited partnership or limited liability company duly formed and validly existing under the Laws of the state jurisdiction in which it is organized and is in good standing in such jurisdiction.

SECTION 4.2. AUTHORITY; NO VIOLATIONS; CONSENTS AND APPROVALS.

(a) Each Purchaser Party has the corporate, limited partnership or limited liability company power, as applicable, and authority to enter into the Transaction Documents to which it is a party and to consummate the transactions contemplated hereby or thereby. The execution and delivery of the Transaction Documents and the consummation of the transactions contemplated hereby or thereby have been duly authorized by all necessary action on the part of the Purchaser Parties.

(b) The Transaction Documents to which each Purchaser Party is a party have been duly executed and delivered by each such entity, and, constitute valid and binding obligations of each such entity enforceable in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other Laws of general applicability relating to or affecting creditors' rights and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

(c) The execution and delivery of the Transaction Documents by each Purchaser Party do not, and the consummation of the transactions contemplated hereby or thereby, and compliance with the provisions hereof or thereof, will not, conflict with, or result in any violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any material obligation or the loss of a material benefit under, or give rise to a right of purchase under, result in the creation of any Encumbrance upon any of the properties or assets of such parties under, require the consent or approval of any third party or otherwise result in a material detriment to such parties under, require the consent or approval of any third party or otherwise result in a material detriment to such parties under, any provision of (A) the organizational documents of such entity, (B) any Material Contract applicable to such entity, its properties or assets or any guarantee by such entity, (C) any joint venture or other ownership arrangement applicable to such entity or (D) assuming the consents, approvals, authorizations or permits and filings or notifications referred to in SECTION 4.2(d) are duly and timely obtained or made, any judgment, order, decree, statute, Law, ordinance, rule or regulation applicable to such entity or any of its properties or assets, other than, in the case of clauses (B), (C) and (D), any such conflicts, violations, defaults, rights, Encumbrances or detriments that, individually or in the aggregate, would not reasonably be expected to materially impair or delay the ability of such entity to perform its obligations

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hereunder or under any of the other Transaction Documents or prevent the consummation of any of the transactions contemplated hereby or thereby.

(d) No consent, approval, order or authorization of, or registration, declaration or filing with, or permit from any Governmental Entity is required by or with respect to a Purchaser Party in connection with the

execution and delivery by such entity of the Transaction Documents to which such entity is a party or the consummation by such entity of the transactions contemplated hereby or thereby, except for: (A) the filing with the SEC of such reports under Section 13(a) of the Exchange Act and such other compliance with the Securities Act and the Exchange Act and the rules and regulations thereunder as may be required in connection with this Agreement and the transactions contemplated hereby; (B) such filings and approvals as may be required by any applicable Environmental Laws; (C) filings under the HSR Act, if applicable; (D) filings necessary to obtain the Enterprise Chamber approval or otherwise required by the Protocol or applicable Dutch Law and (E) any such consent, approval, order, authorization, registration, declaration, filing or permit that the failure to obtain or make would not reasonably be expected to materially impair or delay the ability of such entity to perform its obligations hereunder or under any of the other Transaction Documents or prevent the consummation of any of the transactions contemplated hereby or thereby.

SECTION 4.3. AVAILABLE FUNDS. On the Closing Date, Purchasers will have available all funds necessary to pay the Purchase Price and to satisfy all of their other respective obligations hereunder and in connection with the Purchase. The obligations of the Purchaser Parties hereunder are not subject to any conditions regarding the ability of Purchaser Parties to obtain financing for the consummation of the transactions contemplated herein.

SECTION 4.4. BROKERS. No broker, investment banker or other person is entitled to any broker's, finder's or other similar fee or commission in connection with the transactions contemplated by the Transaction Documents based upon arrangements made by or on behalf of the Purchaser Parties, for which fee or commission Target or any Target Subsidiary may be liable.

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ARTICLE V

ADDITIONAL AGREEMENTS

SECTION 5.1. CONDUCT OF BUSINESS BY TARGET PRIOR TO THE CLOSING.

(a) During the period from the date of this Agreement to the earlier of the termination of this Agreement or the Closing, Target shall and shall cause each of the Target Subsidiaries (other than the Joint Ventures) to, carry on its businesses in the usual, regular and ordinary course consistent with past practices and in material compliance with the expenditure thresholds set forth in the budgets of Target and the Target Subsidiaries listed in Section 5.1(a) of the Target Disclosure Letter and such further budgets as are approved by Purchasers from time to time. During the period from the date of this Agreement to the earlier of the termination of this Agreement or the Closing, Target shall use reasonable efforts to cause each of the Joint Ventures and the Target Non-Subsidiary Entities to carry on its businesses in the usual, regular and ordinary course consistent with past practices and with the budgets of such entity as described above. Prior to Closing, Target shall, or shall cause a Target Subsidiary to, (i) close the acquisition of the Oakbrook ground lease pursuant to the terms of that certain contract, dated December 20, 2001, between LaSalle National Trust and the Teachers Retirement System of the State of Illinois (the "OAKBROOK CONTRACT") and, if permissible under the existing Oakbrook mortgages, terminate said lease and (ii) at Purchasers' direction, cause to be released of record any mortgage or deed of trust which currently may be shown as an Encumbrance against Lakeside Mall, without payment to any party.

(b) Without limiting the generality of the foregoing, during the period from the date of this Agreement to the earlier of the termination of this Agreement or the Closing, except as otherwise contemplated by this Agreement or to the extent consented to in writing by Purchasers, Target shall not and shall not authorize or commit or agree to, shall cause the Target Subsidiaries (other than the Joint Ventures) not to (and not to authorize or commit or agree to), and shall use reasonable efforts to cause each of the Joint Ventures and the Target Non-Subsidiary Entities not to (and not to authorize or commit or agree to) :

(i) amend the Target Organizational Documents or any other comparable charter or organizational documents of any Target Subsidiary or any Target Non-Subsidiary Entity;

(ii) acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, joint venture, association or other business organization or division thereof (including entities which are Subsidiaries), or acquire any assets, including real estate, except purchases in the ordinary course of business consistent with past practice in an amount not involving more than \$500,000, in the aggregate;

(iii) except for the Disposal Agreements, (A) enter into any new commitments obligating Target, any Target Subsidiary or any Target Non-Subsidiary Entity to make capital expenditures in excess of \$1,000,000 in the aggregate, not including tenant allowances under existing leases and the commitments specifically

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reflected in the budgets referenced in Section 5.1(a) and as set forth in Section 5.1(b)(iii)(A) of the Target Disclosure Letter, (B) acquire, enter

into any option to acquire, or exercise an option or other right or election or enter into any other commitment or contractual obligation (each, a "COMMITMENT") for the acquisition of any real property or other transaction (other than any Commitment referred to in Section 5.1(b)(iii)(B) of the Target Disclosure Letter) involving nonrefundable deposits in excess of \$250,000 and, in any event, not in excess of \$1,000,000 in the aggregate, (C) commence construction of, or enter into any Commitment to develop or construct, other real estate projects involving in excess of \$500,000, (D) incur net borrowings in any seven (7) day period in excess of \$1,000,000, except borrowings required to (i) comply with the terms of the Oakbrook Contract not to exceed \$35,000,000 or (ii) complete the Voting Trust Redemption or (E) enter into any lease in excess of 10,000 square feet or incur or commit to incur any tenant allowances or landlord funded construction expenditures related thereto;

(iv) (A) redeem, purchase or otherwise acquire, directly or indirectly, any of its capital stock or other securities, other than the Voting Trust Redemption; (B) issue, sell, pledge, dispose of or encumber any additional shares of its capital stock or other equity interests, securities convertible into or exchangeable for, or options, warrants, calls, commitments or rights of any kind to acquire, any shares of its capital stock or other equity interests, or its other securities; or (C) split, combine or reclassify any of its outstanding capital stock or other equity interests;

(v) transfer, sell, license, pledge, mortgage, subject to Encumbrance or otherwise dispose of any of the Assets, except as disclosed in Section 5.1(b)(v) of the Target Disclosure Letter and to the extent specifically reflected in the budgets referenced in Section 5.1(a) or pursuant to the Disposal Agreements;

(vi) make or rescind any election relating to Taxes or suffer the termination or revocation of any election relating to REIT or BI status (unless Target reasonably determines, after prior consultation with Purchasers, that such action is (a) required by Law; (b) necessary or appropriate to preserve the status of certain Target Subsidiaries as a REIT or any other Target Subsidiary which files Tax Returns as a partnership for federal tax purposes; or (c) commercially reasonable in the context of Target's business and relates to a change in Law in 2001 or thereafter); PROVIDED, that, nothing in this Agreement shall preclude any Target Subsidiary that is a REIT from designating dividends paid by it as "capital gain dividends" within the meaning of Section 857 of the Code (with the prior written consent of Purchasers, which will not be unreasonably withheld) or electing to treat any entity as a "taxable REIT subsidiary" (within the meaning of Section 856(i) of the Code);

(vii) except as may be required by written contractual commitments existing on the date hereof, referred to in Schedule 5.1(b)(vii) of the Target Disclosure Letter, and provided to Purchasers, (A) increase the compensation or benefits payable or to become payable to its officers or employees or officers or employees of any Target Subsidiary or Affiliate thereof, other than (1) increases in compensation to Non-Covered Employees in the ordinary course of business consistent with past practice (PROVIDED,

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such increases, in the aggregate, shall not exceed three and one-half percent (3 1/2%) of any such Non-Covered Employee's base salary) and (2) the payment of 2001 annual bonuses in the ordinary course of business consistent with past practice (PROVIDED, with respect to any employee, the amount that the bonus represents as a percentage of such employee's base salary shall not exceed the percentage that the employee's annual bonus for 2000 represented of such employee's base salary for 2000), (B) establish, adopt, enter into or amend any collective bargaining, bonus, profit sharing, thrift, compensation, employment, termination, severance, stock incentive or other plan, agreement, trust, fund, policy or arrangement for the benefit of any director, officer or employee, except as contemplated by this Agreement or to the extent required by applicable Law or the terms of a collective bargaining agreement, (C) increase the benefits payable under any existing severance or termination pay policies or employment or other agreements, (D) take any affirmative action to accelerate the vesting of any stock-based compensation, (E) grant any awards under any bonus, incentive, performance or other compensation plan or arrangement or Target Employee Benefit Plan (including the grant of stock options, stock appreciation rights, stock based or stock related awards, performance units or restricted stock, or the removal of existing restrictions in any Target Employee Benefit Plans or agreements or awards made thereunder) or (F) take any action to fund or in any other way secure the payment of compensation or benefits under any employee plan, agreement, contract or arrangement or Target Employee Benefit Plan;

(viii) (A) enter into any employment, consulting or severance agreement with or grant any severance or termination pay to any officer, director or employee of Target or any Target Subsidiary; or (B) hire or agree to hire any new or additional employees or officers, PROVIDED, HOWEVER, that if any Non-Covered Employee resigns after the date hereof but prior to Closing, such entity may hire a person to replace such employee on substantially similar terms consistent with past practice, subject to the restrictions of clause (A) above;

(ix) except as set forth in Section 5.1(b)(ix) of the Target

Disclosure Letter, enter into or amend or otherwise modify any agreement or arrangement with persons that are Affiliates of Target (other than agreements with Target Subsidiaries) or, as of the date of this Agreement, are employees, officers or directors of Target or any Target Subsidiary;

(x) except as otherwise permitted or contemplated by this Agreement or the Protocol, authorize, recommend, propose or announce an intention to adopt, or effect, a plan of complete or partial liquidation or dissolution of Target, any Target Subsidiary or any Target Non-Subsidiary Entity;

(xi) materially amend or terminate, or waive compliance with the terms of or breaches under, any Material Contract or enter into a new contract, agreement or arrangement that, if entered into prior to the date of this Agreement, would have been required to be listed in the Target Disclosure Letter pursuant to SECTION 3.15;

(xii) declare, set aside or pay any dividend or other distribution payable in cash, stock or property with respect to its capital stock or other equity interests;

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PROVIDED, HOWEVER, that (A) on or after April 15, 2002, distributions may be declared and paid to Target by the Target Subsidiaries in an amount not greater than the Ordinary Dividend Amount in order to fund the ordinary annual distribution for 2002 payable to shareholders of Target on or after May 15, 2002 (the "ORDINARY DIVIDEND"), (B) Target may declare and pay the Ordinary Dividend on or after May 15, 2002 to shareholders of Target, (C) distributions may be declared and paid to the Target Non-Purchased Entities by the Target Subsidiaries in amounts necessary to fund the Target Non-Purchased Entities' reasonable administrative expenses consistent with past practice and expenses related to the transactions contemplated hereby, provided such expenses shall not in the aggregate exceed \$1,000,000 per month, (D) distributions may be declared and paid to Target Purchased Subsidiaries, (E) Hexalon may make dividend payments it is required to make by the Code in order to maintain REIT status and those that are sufficient to eliminate any Federal tax liability and (F) distributions may be declared and paid to Target by the Target Subsidiaries necessary to fund the Voting Trust Redemption;

(xiii) (A) settle or compromise any claim, litigation or other legal proceeding, other than those wholly-covered by insurance or in the ordinary course of business consistent with past practice in an amount not involving more than \$250,000 individually or \$500,00 in the aggregate or (B) pay, discharge or satisfy any other claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction of (x) any such other claims, liabilities or obligations, in the ordinary course of business and consistent with past practice, or (y) of any such other claims, liabilities or obligations reflected or reserved against in, or contemplated by, the consolidated financial statements (or the notes thereto) of Target;

(xiv) enter into or amend any agreements for the sale of the Abbey Properties or the RoPro Assets;

(xv) take any actions which would result in any liability arising under the Urban Tax Indemnification Agreement;

(xvi) permit any insurance policy naming Target, any Target Subsidiary or any Target Non-Subsidiary Entity as a beneficiary or a loss payable payee to be canceled or terminated without notice to Purchasers unless such entity shall have obtained an insurance policy with substantially similar terms and conditions to the canceled or terminated policy; and

(xvii) agree to take any action prohibited by any of the foregoing.

(c) Subject to SECTION 5.4, Target shall, shall cause each of the Target Subsidiaries (other than the Joint Ventures) to, and shall use reasonable efforts to cause each Target Non-Subsidiary Entity and the Joint Ventures to, extinguish or repay any and all intercompany obligations (except for those intercompany obligations to be (and which shall be) extinguished or repaid in connection with the liquidations and distributions contemplated in order to make the Distribution as required by the Protocol) prior to the Closing in a tax efficient manner; PROVIDED, HOWEVER, that, without the prior written consent of Purchasers, neither Target

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nor any Target Subsidiary shall take any action pursuant to this Section 5.1(c) with respect to the extinguishment or repayment of an intercompany obligation if a payment to a third party would be required to extinguish, or an increased tax obligation of Target, any Target Subsidiary, Target Non-Subsidiary Entity or Joint Venture would result from such extinguishing, of such intercompany obligation.

SECTION 5.2. TAX RELATED COVENANTS

(a) Target will and shall cause Hexalon to continue to qualify

Hexalon as a REIT under the Code. Target shall comply with all requirements for treatment as a BI under Article 28 of the Netherlands Corporate Income Tax Act of 1969, as amended, through September 1, 2002.

(b) Target and the Target Subsidiaries shall cooperate with Purchasers in taking all action reasonably requested by Purchasers and designed to reduce any Assumed Taxes or other liabilities arising from or in connection with the transactions contemplated by this Agreement and by the Transaction Documents if and solely to the extent such actions do not impose any material costs on Target or the Target Subsidiaries. Target shall confer with Purchasers regarding any actions, elections or other steps relating to Taxes prior to taking any actions materially affecting Taxes.

(c) On the date hereof Target obtained, and on the Closing Date Target shall obtain a letter from Arthur Andersen, LLP in the form attached as EXHIBIT B hereto with respect to all prior federal income tax returns of Hexalon and the Pro Forma Tax Returns (the "ANDERSEN LETTER").

(d) On the date hereof Target obtained, and on the Closing Date Target shall obtain, an opinion of Loyens & Loeff in the form attached as EXHIBIT C hereto (the "LOYENS TAX OPINION").

(e) The Target and the Target Subsidiaries will execute and deliver written instructions to Arnall, Golden & Gregory and Arthur Andersen, LLP directing and authorizing them to cooperate with Purchasers and make their files available to Purchaser while this Agreement is in effect and at all times following the Closing.

(f) Target shall cause Arthur Andersen, LLP to prepare initial and final pro forma, U.S. federal, state and local tax returns for all relevant jurisdictions reflecting the liabilities of Target and its Subsidiaries for Taxes (including, without limitation, withholding taxes under Section 1445 of the Code) arising from or incident to the closing of the transactions (including alternatively (i) a sale of the shares of Hexalon and (ii) a sale of the assets of Hexalon and from the liquidation of Hexalon thereafter) as provided in this Agreement (the "PRO FORMA TAX RETURNS"). The initial Pro Forma Tax Returns shall assume a closing of the transactions as of March 31, 2002 at sale prices which Purchasers shall provide to Arthur Andersen, LLP and the sale prices used for the Closing and the final Pro Forma Tax Returns shall be based on the same assumptions as to sales prices (subject, however, to any adjustments to sales prices to reflect any price adjustments provided for in this Agreement and to reflect the effect on the U.S. dollar equivalent price for the assets in the event more, or fewer, U.S. dollar equivalents are

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payables for the assets relative to the U.S. dollar equivalents used for the initial Pro Forma Tax Returns) except the closing date shall be the date the Purchasers shall indicate as the approximate date of the Closing. The Pro Forma Tax Returns shall disregard the results from operations other than for depreciation and amortization deductions computed as of the Closing Date.

(g) The parties hereto shall report for Tax purposes consistently with the sales prices reflected in the final Pro Forma Tax Returns.

SECTION 5.3. ACCESS TO INFORMATION; CONFIDENTIALITY.

(a) Target shall, shall cause each of the Target Subsidiaries to, and shall use reasonable efforts to cause each Target Non-Subsidiary Entity to, afford to Purchasers and their officers, employees, accountants, counsel, financial advisors and other representatives (collectively, "PURCHASERS' REPRESENTATIVES"), reasonable access during normal business hours and upon reasonable advance notice during the period prior to the Closing to all its properties, for the purpose of making surveys, inspections, engineering studies, environmental assessments and other tests, examinations or studies which Purchasers may deem necessary and for the purpose of inspecting all of the books, contracts, commitments, personnel and records of Target, the Target Subsidiaries and the Target Non-Subsidiary Entities and, during such period, Target shall, and shall cause each of the Target Subsidiaries to, and shall use reasonable efforts to cause each Target Non-Subsidiary Entity to, furnish reasonably promptly to Purchasers all other information concerning its business, properties and personnel as Purchasers may reasonably request. Target and its officers, employees, accountants, counsel, financial advisors and other representatives shall cooperate in all reasonable respects with each Purchaser and its accountants in connection with the preparation and auditing in accordance with Dutch GAAP of financial statements of Target and its Subsidiaries on a consolidated basis and in connection with the preparation and auditing in accordance with United States GAAP of financial statements relating to any of the Target Properties, with respect to periods preceding the Closing Date if such Purchaser has reasonably concluded that such audited financial statements are necessary or appropriate in connection with its reporting obligations under the United States Securities Exchange Act of 1934, as amended, or Australian securities laws within four months after the Closing or in connection with any debt or equity offering which may be proposed by such Purchaser after the date hereof and within such four month period. Each Purchaser will hold, and will cause its officers, employees, accountants, counsel, financial advisors and other representatives and Affiliates to hold, any nonpublic information in confidence to the extent required by, and in accordance with, the provisions of (i) that certain letter agreement between J.P. Morgan Securities, Inc., on behalf of Target, and Hoosier, dated October 15, 2001 (the "HOOSIER CONFIDENTIALITY AGREEMENT"), (ii) that certain letter agreement, dated October 18, 2001, between J.P. Morgan Securities, Inc.,

on behalf of Target, and Terrapin, and (iii) that certain letter agreement between J.P. Morgan Securities, Inc., on behalf of Target, and Westfield Holdings Limited, dated January 10, 2002 (collectively, the "CONFIDENTIALITY AGREEMENTS").

(b) In connection with any invasive or destructive testing of any property (or any portion thereof) of Target, a Target Subsidiary or a Target Non-Subsidiary Entity ("INVASIVE TESTING"), Purchasers shall (i) fully comply with all laws, rules and regulations applicable to Target and/or the Invasive Testing and all other activities undertaken in connection therewith, (ii) not interfere materially with the use and occupancy of the property by Target and the tenants

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under the leases, and (iii) permit Target to have a representative present during all Invasive Testing undertaken hereunder. Purchasers hereby agrees to indemnify, defend and hold harmless Target and Target's partners, and their respective officers, directors, employees and agents from and against any and all loss, cost, expense, damage, claim and liability suffered or incurred by Target or any of such other entities or persons and arising out of Purchasers' and/or Purchasers' Representatives Invasive Testing; PROVIDED, HOWEVER, that such indemnity shall not apply to the mere discovery by Purchasers and/or Purchasers' Representatives of any matters if the discovery thereof imposes liability on Target or any other indemnified party.

SECTION 5.4. REASONABLE EFFORTS; NOTIFICATION.

(a) Upon the terms and subject to the conditions set forth in this Agreement, each Purchaser Party, on the one hand, and Target on the other hand agrees to use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to fulfill all conditions applicable to such party pursuant to this Agreement and to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement and the Protocol (including the Distribution), including (i) the obtaining of all necessary actions or nonactions, waivers, consents and approvals from Governmental Entities and the making of all necessary registrations and filings and the taking of all reasonable steps as may be necessary to obtain an approval, waiver or exemption from any Governmental Entity; (ii) the obtaining of all necessary consents, approvals, waivers or exemptions from non-governmental third parties; and (iii) the execution and delivery of any additional documents or instruments necessary to consummate the transactions contemplated by this Agreement and the Protocol. In addition, each of the parties hereto agrees to use its commercially reasonable efforts to defend any lawsuits or legal proceedings, whether judicial or administrative, challenging the Purchase or the other transactions contemplated hereby. Target also shall cooperate with any reasonable request of Purchasers to consummate the transactions contemplated hereby (i) through a conveyance of other equity or real property interests of Target or a Target Subsidiary in order to acquire indirectly the interests identified on Exhibit A hereto if and to the extent such alternative transaction structure would facilitate the obtaining of any Necessary Consent or render the obtaining of such consent (or any other consent) unnecessary and/or (ii) in a tax efficient manner, including, without limitation, where necessary to avoid Dutch withholding taxes or, when requested, the termination of partnerships, including an admission by contribution to certain partnerships of the Purchasers immediately prior to Closing (with a right to redeem such contribution if the Closing does not occur immediately thereafter), and, if requested by Purchasers deferred and reverse like kind exchanges resulting in cash to the seller of the asset, which in no event shall reduce the Purchase Price. Purchasers shall cooperate with any reasonable request by Target to consummate the Purchase through the conveyance of other equity or real property interests of Target or a Target Subsidiary in order to acquire indirectly the interests specifically identified on Exhibit A hereto if and to the extent such alternative transaction structure would facilitate the obtaining of any Necessary Consent or render the obtaining of such consent (or any other consent) unnecessary, provided that such alternative transaction structure would not (i) diminish the economic benefits to the Purchasers of the transactions contemplated hereby, (ii) impose any material limitations or burdens on any Purchaser's (or any Purchaser Designee's) ownership or operation of any Assets or

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(iii) adversely affect either the tax consequences that any Purchaser Party would have from acquiring the interests specifically identified on Exhibit A or the tax treatment of the Purchaser Parties.

(b) Target shall give prompt notice to Purchasers of (i) the occurrence, or non-occurrence of any event whose occurrence, or non-occurrence would be likely to cause any condition set forth herein to be unsatisfied in any material respect at any time from the date hereof to the Closing and (ii) any failure of Target or any of its officers, directors, employees or agents to comply in any material respect with any covenant or agreement to be complied with by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 5.4 shall not limit or otherwise affect the remedies available hereunder to Purchasers.

SECTION 5.5. TAX RETURNS. Target and Purchasers shall cooperate in the preparation, execution and filing of all returns, questionnaires, applications or other documents regarding any Transfer and Gains Taxes applicable to the

Purchase. Target hereby assumes full responsibility for preparation and filing, at Purchasers' sole expense, all Tax Returns of each Target Non-Purchased Entity with respect to all Assumed Taxes which are required to be filed on or after the Closing Date. Purchasers shall be given thirty (30) days to comment on such Tax Returns prior to their filing and the returns shall be subject to the approval of Purchasers, not to be unreasonably withheld.

SECTION 5.6. SECTION 754 OR OTHER ELECTIONS. At the request of Purchasers, with respect to any partnership in which a Target Subsidiary has a direct or indirect interest that has not made an election under Section 754 of the Code (a "SECTION 754 ELECTION") or other election, Purchasers and Target shall use their reasonable best efforts to cause each such partnership as designated by Purchasers to file a Section 754 Election with the partnership's federal income Tax Return for the taxable year of the partnership that ends on or includes the Closing Date or make any other tax elections under the Code. At the request of Purchasers, Target and Target Subsidiaries will cooperate in making elective classification elections with respect to any Target Subsidiary under the pertinent U.S. Treasury regulations.

SECTION 5.7. EMPLOYEE ARRANGEMENTS.

(a) EMPLOYMENT AND CHANGE OF CONTROL ARRANGEMENTS. As of the Closing Date, the Parent Entities shall assume, honor and perform in accordance with their terms all employment, severance, change of control and other such agreements of Target and any Target Subsidiary identified in Section 5.7(a) of the Target Disclosure Letter. Without limiting the foregoing, the Parent Entities shall pay or cause to be paid at Closing to the employees identified on Section 5.7 of the Target Disclosure Letter (the "KEY EMPLOYEES") the amounts due to each such Key Employee pursuant to the terms of each such Key Employee's employment agreement, an estimate of each such amount is set forth on Section 5.7 of the Target Disclosure Letter. The Parent Entities further agree that all Non-Covered Employees who are terminated without cause within twelve months following the Closing Date and who execute a general release of claims in a form satisfactory to the Parent Entities shall be entitled to receive severance compensation equal to the greater of (subject to the proviso set forth below) (i) two weeks of such employee's base salary and (ii) the greater of (A) two weeks of such employee's base salary (the "SEVERANCE BASE") for each full year of combined service with Target, a Target Subsidiary (including any predecessor thereof) and the Parent Entities and, for any partial year of such service, a pro rata

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amount of such employee's Severance Base based on the number of whole months elapsed in such partial year divided by 12 or (B) in the event that the Non-Covered Employee has at least 15 years of such service, one year of such employee's base salary; PROVIDED, HOWEVER, that under no circumstances will such employee be entitled to receive greater than one year of such employee's base salary (the "SEVERANCE PAYMENT"). It is understood and agreed that the Severance Payment to Non-Covered Employees and the payments to the employees identified on Section 5.7 of the Target Disclosure Letter shall be in lieu of any other severance benefits (except as required by applicable law) that any such employee is entitled to receive and will be applied against any liability of the Parent Entities which may arise under the Worker Adjustment and Retaining Notification Act ("WARN"). If the Parent Entities determine that liability under WARN could arise as a result of employment terminations, Target will cooperate reasonably with the Parent Entities in connection with the delivery of WARN notices to affected employees prior to the Closing Date.

(b) BENEFIT PLANS. Upon and after the Closing Date, each Parent Entity shall allow employees of Target who become employees of such Parent Entity to participate in employee benefit plans of such Parent Entity which are made available generally to similarly situated employees of such Parent Entity. With respect to any such plan which is an "employee benefit plan" as defined in Section 3(3) of ERISA and any other service based benefits (including vacations) in which the employees of Target may participate, solely for purposes of determining eligibility to participate, vesting and entitlement to benefits but not for purposes of accrual of benefits (except in the case of accrued vacation, sick or personal time), service with Target or any Target Subsidiary shall be treated as service with such Parent Entity; PROVIDED, HOWEVER, that such service shall not be recognized to the extent that such recognition would result in a duplication of benefits under both a Target Employee Benefit Plan and a benefit plan of such Parent Entity (or is not otherwise recognized for such purposes under the benefit plans of such Parent Entity). Without limiting the foregoing, the Parent Entities shall not treat any Target employee as a "new" employee for purposes of any pre-existing condition exclusions, waiting periods, evidence of insurability requirements or similar provision under any health or other welfare plan, and will make appropriate arrangements with its insurance carrier(s), to the extent applicable, to ensure such result.

(c) Nothing in this Agreement shall preclude the Parent Entities, Target or any Target Subsidiary from terminating the employment of any employee of Target or any Target Subsidiaries at any time on or after the Closing Date.

(d) Prior to the Closing Date, Target will take all actions necessary to:

(i) cause each outstanding stock appreciation right ("SAR") granted under the Urban Shopping Centers 2001 Stock Appreciation Rights Plan (the "2001 SAR PLAN") to be cancelled on the Closing Date, and in full satisfaction of such cancellation each holder thereof shall be entitled to receive on the Closing Date in exchange, with respect to each SAR, an

amount equal to the Per Share Consideration less the Exercise Price (as defined in the 2001 SAR Plan) multiplied by the number of Covered Shares (as defined in the SAR Agreement evidencing the SAR) to which such SAR relates;

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(ii) cause all Restricted Stock (as that term is defined under the Urban Shopping Centers 2001 Incentive Program (the "2001 INCENTIVE PROGRAM")) granted under the 2001 Incentive Program (it being acknowledged by the parties that the transactions contemplated by this Agreement shall cause all Restricted Stock to become immediately vested in full) to be cancelled on the Closing Date, and in full satisfaction of such cancellation each holder thereof shall be entitled to receive in exchange a cash payment on the Closing Date equal to the product of his or her shares of Restricted Stock multiplied by the Per Share Consideration;

(iii) cause each outstanding share of Earned Incentive Stock (as that term is defined in the 2001 Incentive Program) granted under the 2001 Incentive Program (it being acknowledged by the parties that all shares of Incentive Stock eligible to be earned during the 2001 Program Year (as provided in Section 4.1 of the 2001 Incentive Program) shall be deemed to be Earned Incentive Stock) to be cancelled on the Closing Date, and in full satisfaction of such cancellation each holder thereof shall be entitled to receive a cash payment on the Closing Date equal to the product of his or her shares of Earned Incentive Stock multiplied by the Per Share Consideration;

(iv) cause all Incentive Stock (as such term is defined under the 2001 Incentive Program) granted under the 2001 Incentive Program that is not Earned Incentive Stock (i.e., Incentive Stock eligible to be earned in the 2002, 2003 and 2004 Program Years) or deemed to be Earned Incentive Stock for purposes of this Agreement to be forfeited on the Closing Date; and

(v) cause each of the 2001 SAR Plan and the 2001 Incentive Plan to be terminated.

SECTION 5.8. NO SOLICITATION OF ACQUISITION PROPOSALS. Target shall not, and it shall cause its Subsidiaries and the officers, directors, employees, agents and representatives of Target and its Subsidiaries (collectively, the "TARGET REPRESENTATIVES") not to, (i) solicit or encourage, directly or indirectly, the making of any Acquisition Proposal, (ii) initiate any discussion or engage in negotiations with or provide any information to any entity relating to an Acquisition Proposal, or take any other action to knowingly facilitate the making of any proposal that constitutes, or may reasonably be expected to lead to, any Acquisition Proposal, or (iii) endorse or enter into any Acquisition Proposal or modify or withdraw its recommendation of the Purchase. Except as permitted by SECTION 5.8 hereof, Target and the Target Representatives will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any Third Parties conducted heretofore with respect to any Acquisition Proposal. Notwithstanding the foregoing, Target may engage in discussions or provide information with respect to an unsolicited bona fide written Acquisition Proposal if (i) Target and the Supervisory Board of Target conclude in good faith that such Acquisition Proposal is reasonably likely to result in a Superior Proposal (as hereinafter defined), (ii) prior to providing any information to any Person in connection with an Acquisition Proposal by any such Person, Target receives from such Person an executed confidentiality agreement on terms substantially similar to, and no less restrictive to such Person than those contained in the Hoosier Confidentiality Agreement and (iii) prior to providing any information to any Person or entering into discussions with any Person, Target notifies Purchasers promptly of such Acquisition Proposal or negotiations, including the

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name of such Person and the material terms and conditions of such Acquisition Proposal (including a copy of any written proposal and any written documentation). Target shall notify Purchasers promptly, but in any event within 24 hours, of any Acquisition Proposal or any inquiry with respect to or which could reasonably be expected to lead to an Acquisition Proposal received by any Target or the Target Representatives, the terms and conditions of such proposal (including a copy of any written proposal and any written documentation) and the identity of the Person making the proposal or offer or inquiry. Target will promptly notify Purchasers of any material change in the status and details of any such Acquisition Proposal or inquiry. Target will promptly provide to Purchasers any non-public information concerning Target or its Subsidiaries provided to any other Person which was not previously provided to Purchasers. In addition, Target and the Supervisory Board of Target may withdraw or modify their recommendation of the Purchase or approve a Superior Proposal and enter into an agreement with respect thereto if (x) a Superior Proposal is pending, (y) Target has provided Purchasers with notice that it has received a Superior Proposal which it intends to accept (specifying the offeror and the material terms and conditions of such Superior Proposal) and (if requested by Purchasers) has negotiated in good faith with Purchasers during the three (3) Business Days following Purchasers' receipt of such notice to attempt to make such adjustments to this Agreement as would enable Target and Purchasers to proceed with the Purchase on such adjusted terms and (z) this Agreement is terminated in connection with such Superior Proposal and the Break-Up Fee is paid. "SUPERIOR PROPOSAL" means an unsolicited bona fide written proposal by a Third Party to acquire all or substantially all of the Assets (i) on terms which the

Supervisory Board determines in good faith (after consultation with its financial advisors and legal counsel) to be more favorable from a financial point of view to the shareholders of Target than the terms contemplated by this Agreement, (ii) is not conditioned upon obtaining financing not fully committed at such time and (iii) which is reasonably capable of being consummated without undue delay in the good faith judgment of the Supervisory Board of Target. "ACQUISITION PROPOSAL" means any inquiry, proposal or offer, whether in writing or otherwise, from a Third Party to acquire beneficial ownership of all or more than 20% of the assets of Target and the Target Subsidiaries, taken as a whole, or 20% or more of any class of equity securities of Target or of any Target Subsidiary which owns, directly or indirectly, more than 50% of the Assets pursuant to a merger, consolidation or other business combination, sale of shares of capital stock, sale of assets, tender offer, exchange offer or similar transaction with respect to either Target or any such Target Subsidiary, including any single or multi-step transaction or series of related transactions, which is structured to permit such Third Party to acquire beneficial ownership of more than 20% of the assets of Target and the Target Subsidiaries, taken as a whole, or 20% or more of any class of equity securities of Target or any Target Subsidiary which owns, directly or indirectly, more than 50% of the Assets.

SECTION 5.9. PUBLIC ANNOUNCEMENTS. Target, on the one hand, and the Purchaser Parties, collectively, on the other hand, shall consult with each other before issuing any press release with respect to this Agreement or any of the transactions contemplated by this Agreement and shall not issue any such press release without having first provided a copy of any such press release to Target, on the one hand, or the Purchaser Parties, on the other hand, as the case may be.

SECTION 5.10. AGREEMENTS REGARDING THE DISPOSAL OF PROPERTIES. At the direction of Purchasers, Target shall cause each applicable Target Subsidiary to enter into an agreement, in

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form and substance reasonably acceptable to Purchasers (each a "DISPOSAL AGREEMENT"), to sell the properties identified in Section 5.10 of the Target Disclosure Letter (each a "DISPOSAL PROPERTY") to one or more parties as may be designated by Purchasers. Under each such Disposal Agreement, the sale of the Disposal Property will be scheduled to close (with "time being of the essence" with respect to such closing) prior to the Closing of the Purchase or at such date after the Closing as Purchasers may agree. Target shall, and shall cause the applicable Target Subsidiaries to, use its and their reasonable best efforts to consummate the sale of each Disposal Property in accordance with the terms and conditions of the applicable Disposal Agreement; PROVIDED, HOWEVER, that the proceeds received by Target or a Target Subsidiary in consideration for the disposition of any Disposal Property (i) shall not be less than the minimum price set forth for such Disposal Property in Section 5.10 of the Target Disclosure Letter and (ii) shall be used by Target to pay existing indebtedness; and PROVIDED, FURTHER, that, with respect to the 745 Property, such Disposal Agreement shall provide that (i) such applicable Target Subsidiary shall not be obligated to consummate such sale unless the Purchase will be consummated immediately thereafter and (ii) in the event this Agreement is terminated in accordance with ARTICLE VIII such Target Subsidiary shall have the right to terminate such Disposal Agreement without any cost, penalty or liability thereto. Target shall cooperate with Purchasers in the negotiation and consummation of any Disposal Agreement, including, without limitation, granting any potential buyer permission to conduct usual and customary due diligence in connection with such sale. Each applicable Target Subsidiary shall enter into any Disposal Agreement as Purchasers shall in good faith direct. Purchasers shall indemnify and hold the applicable Target Subsidiary harmless from any liability in connection with any such Disposal Agreement. Neither Target nor any Target Subsidiary shall take any action it is entitled to take under, or relating to, any such Disposal Agreement, or exercise any remedy in connection with any such Disposal Agreement, without the prior written consent of Purchasers and, upon the instruction of Purchasers, Target and any Target Subsidiary shall promptly take such action and/or exercise any remedy in connection with any such Disposal Agreement as Purchasers shall direct (provided that such action or remedy is permitted or provided for under the applicable Disposal Agreement). At the closing of the transaction contemplated by a Disposal Agreement, Target and any Target Subsidiary shall deliver to the purchaser thereunder all documents, agreements, instruments and Necessary Consents described in SECTION 2.5 which are applicable thereto (including, without limitation, instruments sufficient to convey the Target Tangible Personal Property associated with such Target Property).

SECTION 5.11. INDEMNIFICATION; DIRECTORS' AND OFFICERS' INSURANCE.

(a) It is understood and agreed that, subject to the limitations on indemnification under applicable law, Hoosier and Terrapin (the "INDEMNIFYING PARTIES") shall, to the fullest extent permitted under applicable law, indemnify and hold harmless, for a period of six years following the Closing, (i) each present and former managing or supervisory director, officer and employee of the Target or any Target Subsidiary against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages, liabilities and amounts paid in settlement in connection with any claim, action, suit, proceeding or investigation (collectively, "LOSSES") arising out of any action taken or omission occurring at or prior to the Closing Date and (ii) each present and former managing or supervisory director, officer and employee of any Target Non-Purchased Entity (together with the persons with indemnification rights pursuant to clause (i) above, collectively, the "INDEMNIFIED PARTIES") against any Losses

arising out of his or her good faith actions in connection with the distribution of the Purchase Price to Target's shareholders in accordance with the terms and conditions of the Protocol; PROVIDED, that the Indemnifying Parties shall not be liable for any settlement effected without their prior written consent (which consent shall not be unreasonably withheld). In connection therewith, (A) the Indemnifying Parties shall promptly pay expenses in advance of the final disposition of any claim, suit, proceeding or investigation to each Indemnified Party to the full extent permitted by law, subject to the provision by such Indemnified Party of an undertaking to reimburse the amounts so advanced in the event of a final non-appealable determination by a court of competent jurisdiction that such Indemnified Party is not entitled to such amounts, and (B) the Indemnified Parties may retain one counsel satisfactory to them (except in case of a conflict of interest among two or more Indemnified Parties, in which case more than one counsel may be retained), and the Indemnifying Parties shall promptly pay all reasonable fees and expenses of such counsel for the Indemnified Parties. Any Indemnified Party wishing to claim indemnification under this SECTION 5.11, upon learning of any such claim, action, suit, demand, proceeding or investigation, shall notify the Indemnifying Parties; PROVIDED, that the failure to so notify shall not affect the obligations of the Indemnifying Parties except to the extent such failure to notify materially prejudices such parties.

(b) For a period of six years after the Closing Date, the Indemnifying Parties will maintain in effect the existing directors' and officers' liability insurance covering the Indemnified Parties who are currently covered by Target's and the Target Subsidiaries' officers and directors liability insurance policies (copies of which policies have been provided to Purchasers) on terms not less favorable than those in effect on the date hereof in terms of coverage and amounts and which provide coverage as to claims arising out of the good faith actions of such Indemnified Persons in connection with the distribution of the Purchase Price to Target's shareholders in accordance with the terms and conditions of the Protocol; PROVIDED, HOWEVER, that if the aggregate annual premiums for such insurance at any time during such period exceed the per annum rate of premium paid by Target for such insurance as of the date of this Agreement, then the Indemnifying Parties shall provide the maximum coverage that will then be available at an annual premium equal to 175% of such per annum rate as of the date of this Agreement.

(c) This SECTION 5.11 is intended for the irrevocable benefit of, and to grant third party rights to, the Indemnified Parties and shall be binding on all successors and assigns of the Indemnifying Parties. Each of the Indemnified Parties shall be entitled to enforce the covenants contained in this SECTION 5.11.

(d) In the event that any of Purchasers or any of its successors or assigns (i) consolidates with or merges into any other person or entity and shall not be the continuing or surviving entity of such consolidation or merger or (ii) transfers or conveys a majority of its properties and assets to any person or entity, then, and in each such case, proper provision shall be made so that the successors, assigns and transferees of such Indemnifying Party assume the obligations set forth in this SECTION 5.11.

(e) To the extent permitted by law, all rights of indemnification for the benefit of any Indemnified Party shall be mandatory rather than permissive.

(f) The liabilities and obligations assumed by the Indemnifying Parties under this SECTION 5.11(a)-(e) are referred to herein as the "H&T ASSUMED LIABILITIES". Following the Closing, Purchasers shall indemnify and hold harmless each Target Non-Purchased Entity against any claims arising in respect of the Non-Financial Covenants.

SECTION 5.12. SHAREHOLDERS' MEETING

(a) Target shall as promptly as practicable duly call, give notice of and take all other action necessary in accordance with applicable law to convene, and hold a meeting of its shareholders (the "SHAREHOLDERS MEETING") for the purpose of obtaining the affirmative vote of holders of Ordinary Shares of Target casting at least two-thirds of the votes cast and excluding all Ordinary Shares, if any, owned by the Voting Trust (i) to approve the Purchase, (ii) to approve the Distribution, conditioned only upon the Closing, (iii) to appoint at Closing one person designated by Westfield Limited (the "WESTFIELD DESIGNEE") to the Board of Liquidators, PROVIDED that Target shall have the right to object to the Westfield Designee on a reasonable basis, PROVIDED, FURTHER, that if no Westfield Designee is appointed to the Board of Liquidators at Closing (due to the failure of the Westfield Designee to obtain the required approval of the Dutch Central Bank, as a result of the objection by Target or otherwise), the Board of Liquidators shall consult with Westfield Limited on a reasonable basis on matters related to, or in connection with, the Distribution, PROVIDED, FURTHER, that Target shall have no obligation pursuant to this clause (iii) if Westfield Limited transfers all of its equity ownership in Target to an unaffiliated third party, and (iv) to appoint the members of the Management Board as liquidators to carry out the Distribution in accordance with the Protocol, and shall take all lawful action to solicit the approval of such transactions by such vote. The Management Board and the Supervisory Board of Target shall recommend that holders of Ordinary Shares vote in favor of such

resolutions. Subject to SECTION 5.8, the Supervisory Board shall not withdraw or modify in a manner adverse to Purchasers its recommendation of the resolutions. Target agrees that it will not cancel, postpone or adjourn the date of the Shareholders Meeting or change the items on the agenda without the agreement of Purchasers.

(b) As promptly as reasonably practicable after the date of this Agreement, Target shall prepare a shareholder circular relating to the matters to be submitted to the shareholders of Target at the Shareholders Meeting. Target shall provide Purchasers with a reasonable opportunity to review and comment on the shareholder circular, and on any amendment or supplement thereto, and shall not distribute the shareholder circular, or any amendment or supplement thereto, to its shareholders prior to the approval of such document by the Purchasers, which approval shall not be unreasonably withheld or delayed. The shareholder circular shall comply as to form in all material respects with the applicable provisions of applicable law. Each Purchaser shall furnish all information concerning itself and its Affiliates which is required or customary for inclusion therein. If at any time prior to the Shareholders Meeting any information relating to Target or Purchasers, or any of their respective Affiliates, officers or directors, should be discovered by Target or Purchasers which should be set forth in an amendment or supplement to the shareholder circular so that such document would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the party which discovers such information shall promptly notify the other party and,

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to the extent required by law, rules or regulations, an appropriate amendment or supplement describing such information shall be promptly and disseminated to the shareholders of Target.

SECTION 5.13. VOTING TRUST. Target hereby agrees to take all necessary and appropriate actions to implement the Voting Trust Redemption at Closing at a price not to exceed (i) the original issue price of such Ordinary Shares PLUS (ii) accrued and unpaid interest thereon PLUS (iii) related financing and administrative costs in an amount not to exceed \$7,500,000. Target shall take all necessary and appropriate actions to procure that the Agreement Regarding the Acquisition of Shares in Target, dated September 23, 2001, be terminated at Closing and thereafter shall be of no further force and effect.

SECTION 5.14. FUNDING OF PURCHASE PRICE. The Parent Entities shall cause the Purchasers to fulfill their obligations hereunder to consummate the Purchase in accordance with the terms and conditions of this Agreement, including by funding the Purchasers with an amount of cash necessary to permit the payment of the Purchase Price by the Purchasers at Closing in accordance with ARTICLE II hereof. For avoidance of doubt, this SECTION 5.14 shall terminate as of the Closing.

SECTION 5.15. OFFICERS AND DIRECTORS. Upon the written request of Purchasers, (i) Target shall cause any or all of the directors (or persons occupying similar positions in any limited liability company or other entity) and/or officers of each direct or indirect wholly owned Target Subsidiary (excluding any Target Non-Purchased Entity) to resign or be removed or, as to officers, to be terminated, effective as of the Closing, and (ii) if Target or any of its affiliated entities has the right to appoint any director (or person occupying a similar position in any limited liability company or other entity) or to cause the resignation or termination of any officer of any other entity in which Target (directly or indirectly) owns an equity interest (excluding any Target Non-Purchased Entity), Target shall cause, effective as of the Closing, such director to resign or to be removed and/or such officer to resign or be terminated.

SECTION 5.16. URBAN RETAIL PROPERTIES. Target shall cause to be delivered to Purchasers at Closing, directly or indirectly, all outstanding equity interests in Urban Retail Properties, Co. Such equity interests shall be an Asset hereunder and shall be delivered to the Purchaser Parties for no additional consideration and shall be obtained by Target for no consideration other than the cancellation of the promissory note, dated November 8, 2000, issued by Patrick Hackett in favor of Novi Mall Associates.

ARTICLE VI

TAX MATTERS

SECTION 6.1. ASSUMPTION OF TAXES. Subject to SECTION 7.1, Purchasers shall each assume joint and several liability for all Taxes (whether fixed or contingent) of each Target Non-Purchased Entity (including, without limitation, any liability for income Taxes of any such party and any liability for Transfer and Gains Taxes resulting from the consummation of the transactions contemplated by the Transaction Documents incurred or payable on, before, or after the Closing Date (collectively, the "ASSUMED TAXES")); PROVIDED, HOWEVER, that no Purchaser Party shall assume (i) liability for any Taxes arising from any actions or omissions of Target or

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the Target Non-Purchased Entities occurring after the Closing Date (other than for taxes payable to any U.S. taxing authority in connection with the liquidation of Hexalon), (ii) any liability that any such party may have for

another Person's Taxes, other than the Urban Tax Indemnification Agreement and the Tax Protection Agreement(s) disclosed in Section 3.14(h) of the Target Disclosure Letter, or (iii) any Taxes imposed by any Dutch Governmental Entity in respect of the transactions contemplated by this Agreement, the Protocol or arising after the Closing (collectively, the "EXCLUDED TAXES").

SECTION 6.2. INDEMNIFICATION. Purchasers shall on a joint and several basis indemnify and hold harmless each Target Non-Purchased Entity and any shareholder, director, officer, or employee of a Target Non Purchased Entity for all Assumed Taxes.

SECTION 6.3. TAX CONTESTS. Target hereby grants Purchasers full authority to assume full and primary responsibility to contest, at their sole discretion and expense, any matter relating to the Assumed Taxes and shall indemnify each Target Non-Purchased Entity, and all shareholders, directors, officers, and employees of Target Non-Purchased Entities from any costs that such parties may incur in defending or participating in such contests.

SECTION 6.4. TAX REFUNDS. Purchaser shall be entitled to all refunds for Assumed Taxes otherwise payable to Target or a Target Non-Purchased Entity.

SECTION 6.5. WITHHOLDING CERTIFICATES. Neither Purchasers nor any of their respective agents shall be entitled to deduct and withhold from the Purchase Price otherwise payable pursuant to this Agreement to Target and/or any Target Subsidiary and/or any Target Non-Subsidiary Entity and/or any Target Non-Purchased Entity any amounts under Section 1445 of the Code; PROVIDED, HOWEVER, Target and/or any Target Subsidiary and/or any Target Non-Subsidiary Entity and/or any Target Non-Purchased Entity shall each apply for and obtain a reduced withholding certificate under the appropriate Treasury Regulations under Section 1445 of the Code from the IRS on or before the Closing Date (including, without limitation, a reduced withholding certificate in connection with the liquidation of Hexalon) and to the extent any of them provides Purchasers a notice that complies with Treasury Regulation section 1.1445-1(c)(2)(i)(B), Purchasers shall not pay over the withheld amounts to the IRS but will contribute such amounts to an escrow account established for the benefit of Purchasers in form reasonably satisfactory to Purchasers, including such terms as are necessary to allow Hexalon to maintain its REIT status during the term of the escrow. Any amounts paid in lieu of the amounts withheld and paid to the IRS shall be treated by the parties for all tax reporting purposes as paid to Target for the Australian Interests. The Purchasers shall be entitled to claim refunds in respect of any Taxes paid by Purchasers and such refunds shall belong to Purchasers. Target shall cooperate, and Target shall cause the other Target Non-Purchased Entities to cooperate, with Purchasers in seeking any such refunds.

ARTICLE VII

CONDITIONS TO CLOSING

SECTION 7.1. CONDITIONS TO OBLIGATIONS OF PURCHASERS. The obligations of Purchasers to consummate the transactions contemplated by this Agreement shall be subject to

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the fulfillment, at or prior to the Closing, of each of the following conditions unless waived by Purchasers:

(a) TARGET SHAREHOLDER APPROVAL. The Purchase and the Distribution shall have been duly approved and adopted at the Shareholders Meeting by the affirmative vote of the holders of Ordinary Shares of Target casting at least two-thirds of the votes cast excluding all Ordinary Shares, if any, beneficially owned by the Voting Trust (the "TARGET SHAREHOLDER APPROVAL");

(b) DISTRIBUTION. The amount per Ordinary Share (without regard to the Ordinary Shares held by the Voting Trust) to be distributed by Target to its shareholders pursuant to the Distribution shall not be less than EURO 53 (prior to giving effect to any withholding tax to be withheld by Target under Dutch law) and the Distribution shall be imminent (assuming payment by Purchasers of the Purchase Price);

(c) NO PROCEEDINGS. No claim, suit, action or other proceeding arising out of the transactions contemplated hereby has been brought (and remains pending) by a Governmental Entity or any third party (other than a Purchaser Party or an Affiliate or Subsidiary of a Purchaser Party (excluding Target and any Target Subsidiary)):

(i) that is reasonably likely to (A) prohibit or impose any material limitations on any Parent Entity's (or any of its respective Subsidiary's or Affiliate's) ownership or operation of all or a material portion of (1) the Assets or (2) the business or assets of such Parent Entity and its respective Subsidiaries and Affiliates, taken as a whole, or (B) compel any Parent Entity or Target or any of their respective Subsidiaries or Affiliates, as the case may be, to dispose of or hold separate any material portion of (1) the Assets or (2) the business or assets of such Parent Entity and its respective Subsidiaries and Affiliates, taken as a whole;

(ii) that is reasonably likely to restrain or prohibit the Closing or the performance of any transaction contemplated by the Transaction Documents, or is reasonably likely to obtain from Target or the Purchaser Parties any damages that are material in relation to Target or

the Target Subsidiaries taken as a whole, or

(iii) which otherwise is reasonably likely to have a material adverse affect on the consolidated financial condition, businesses or results of operations of any of the Parent Entities.

(d) NO LEGAL RESTRAINTS. No Governmental Entity shall have enacted, issued, promulgated, enforced or entered any law, rule, regulation, executive order, decree, restraining order, injunction or other order (whether temporary, preliminary or permanent) or other legal or regulatory restraint which is then in effect (which order or other action the parties hereto shall use their reasonable best efforts to vacate or lift) and which prohibits or precludes the consummation of the Purchase;

(e) CONSENTS. All consents and waivers identified on Section 7.1(d) of the Target Disclosure Letter shall have been obtained (the "NECESSARY CONSENTS");

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(f) HSR ACT, ETC. Any waiting period applicable to the consummation of the Purchase under the HSR Act shall have expired or been terminated; any required approval of the Purchase by the European Commission pursuant to the EC Merger Regulations shall have been obtained;

(g) REPRESENTATIONS, WARRANTIES. All representations and warranties of Target contained in this Agreement (without giving effect to any materiality or similar qualifications) shall be true and correct as of the Closing (except to the extent that any such representation or warranty, by its terms, is expressly limited to a specific date, in which case such representation or warranty shall be true and correct as of such date), except where the failure to be so true and correct would not reasonably be expected to result, individually or in the aggregate, in a Target Material Adverse Effect;

(h) PERFORMANCE OF COVENANTS. All the agreements contained in this Agreement to be performed by Target on or before the Closing Date shall have been performed in all material respects;

(i) NO TARGET MATERIAL ADVERSE EFFECT. Since the date of this Agreement, there shall not have occurred any event, change, effect or development that, individually or in the aggregate with any other event, change, effect or development since the date of this Agreement, which has had or would reasonably be expected to have a Target Material Adverse Effect, provided, that for purposes of this Section 7.1(h) only, each Target Non-Subsidiary Entity shall be deemed to be a Target Subsidiary;

(j) TAX DELIVERIES. Purchasers shall have received the Loyens Tax Opinion and the Anderson Letter to be delivered at Closing pursuant to Section 5.2 and all applicable withholding certificates approved by the IRS as required by Section 6.5; and

(k) FINAL PRO FORMA TAX RETURNS. The final Pro Forma Tax Returns delivered to Purchasers pursuant to Section 5.2(f) shall reflect no aggregate liability for Taxes (including, without limitation, any withholding taxes reflected in the IRS withholding certificates required by Section 6.5) other than (i) Excluded Taxes, (ii) Transfer and Gain Taxes not exceeding \$15,000,000 in the aggregate and (iii) other Taxes in an aggregate amount not exceeding \$3,000,000.

SECTION 7.2. CONDITIONS TO OBLIGATIONS OF TARGET. The obligations of Target to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions unless waived by Target:

(a) TARGET SHAREHOLDER APPROVAL. The Purchase and the Distribution shall have been duly approved and adopted at the Shareholders Meeting by the affirmative vote of the holders of Ordinary Shares of Target casting at least two-thirds of the votes cast excluding all Ordinary Shares, if any, beneficially owned by the Voting Trust;

(b) DISTRIBUTION. Subject to Section 8.1(k), the amount per Ordinary Share (without regard to the Ordinary Shares held by the Voting Trust) to be distributed by Target to its shareholders pursuant to the Distribution shall not be less than the Target Minimum Amount;

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(c) NO LEGAL RESTRAINTS. No Governmental Entity shall have enacted, issued, promulgated, enforced or entered any law, rule, regulation, executive order, decree, restraining order, injunction or other order (whether temporary, preliminary or permanent) or other legal or regulatory restraint which is then in effect (which order or other action the parties hereto shall use their reasonable best efforts to vacate or lift) and which prohibits or precludes the consummation of the Purchase;

(d) HSR ACT, ETC. Any waiting period applicable to the consummation of the Purchase under the HSR Act shall have expired or been terminated; any required approval of the Purchase by the European Commission pursuant to the EC Merger Regulations shall have been obtained;

(e) REPRESENTATIONS, WARRANTIES. All representations and warranties

of the Purchaser Parties contained in this Agreement (without giving effect to any materiality or similar qualifications) shall be true and correct as of the Closing (except to the extent that any such representation or warranty, by its terms, is expressly limited to a specific date, in which case such representation or warranty shall be true and correct as of such date), except where the failure to be so true and correct would not reasonably be expected to have a material adverse effect on Purchasers' ability to complete the Purchase; or

(f) PERFORMANCE OF COVENANTS. All the agreements contained in this Agreement to be performed by the Purchaser Parties on or before the Closing Date shall have been performed in all material respects.

ARTICLE VIII

TERMINATION

SECTION 8.1. TERMINATION. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing (notwithstanding any approval of the Purchase or any of the other transactions contemplated by this Agreement by the shareholders of Target):

(a) by mutual written consent of Target and Purchasers;

(b) by Target or Purchasers if any Governmental Entity shall have issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Purchase and such order, decree or ruling or other action shall have become final and non-appealable; PROVIDED, that the party seeking to terminate this Agreement pursuant to this clause (b) shall have used reasonable best efforts to remove such order, decree, ruling or judgment or to reverse such action;

(c) by Target if the Supervisory Board of Target elects to accept a Superior Proposal; PROVIDED, that this Agreement may not be terminated under this SECTION 8.1(c) unless Target has complied in all material respects with the provisions of SECTION 5.8, including by notifying Purchasers in writing not less than three (3) Business Days prior to taking such action of its intention to take such action and during such three (3) Business Day period (if requested by Purchasers) negotiating in good faith with Purchasers in an attempt to make adjustments to this

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Agreement such that the Acquisition Proposal that the Supervisory Board was prepared to accept is no longer a Superior Proposal; and PROVIDED, FURTHER, that it shall be a condition to termination pursuant to this SECTION 8.1(c) that the Target shall have made the payment of the Break-Up Fee to the Purchasers required by SECTION 9.2.

(d) by Purchasers, if the Supervisory Board of Target approves or recommends a Superior Proposal or the Supervisory Board withdraws or modifies its recommendation of the Purchase in a manner adverse to Purchasers (or resolves to take any of such actions);

(e) by Purchasers, if any of the following events shall occur and be continuing or conditions exists: (i) any of the representations and warranties of Target contained in this Agreement (without giving effect to any materiality or similar qualifications) shall not be true and correct, in each case as of the date of determination (except to the extent that any such representation or warranty, by its terms, is expressly limited to a specific date, in which case such representation or warranty shall not be true and correct as of such date), in each case where such failure to be so true and correct would reasonably be expected to result, individually or in the aggregate, in a Target Material Adverse Effect; or (ii) Target shall have failed to perform in all material respects any of its agreements contained in this Agreement required to be performed at or prior to the date of determination (any such event or condition described in this clause (ii), a "TERMINATING TARGET BREACH") and such Terminating Target Breach (A) is not cured by Target within twenty (20) calendar days after receipt of notice of the Terminating Target Breach or (B) is not curable prior to July 15, 2002; or

(f) by Target, if any of the following events shall occur and be continuing or conditions exists: (i) any of the representations and warranties of the Purchaser Parties contained in this Agreement (without giving effect to any materiality or similar qualifications) shall not be true and correct, in each case as of the date of determination (except to the extent that any such representation or warranty, by its terms, is expressly limited to a specific date, in which case such representation or warranty shall not be true and correct as of such date), in each case where such failure to be so true and correct would reasonably be expected to have a material adverse effect on Purchasers' ability to complete the Purchase; or (ii) the Purchaser Parties shall have failed to perform in all material respects any of their agreements contained in this Agreement required to be performed at or prior to the date of determination (any such event or condition described in this cause (ii), a "TERMINATING PURCHASERS BREACH") and such Terminating Purchasers Breach (A) is not cured by the Purchaser Parties within twenty (20) calendar days after receipt of notice of the Terminating Purchasers Breach or (B) is not curable prior to July 15, 2002; or

(g) by Target or Purchasers, if the approval of the Purchase by the shareholders of Target shall not have been obtained by reason of the failure to obtain the requisite vote at a duly held meeting of shareholders of Target, or

at any adjournment thereof; or

(h) by Purchasers, if Target fails to perform in all material respects any of its obligations contained in the Protocol; or

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(i) by Target, if any Purchaser Party fails to perform in all material respects any of its obligations contained in the Protocol; or

(j) by Target or Purchasers, if the Closing shall not have occurred on or prior to July 15, 2002 (the "TERMINATION DATE"); PROVIDED, HOWEVER, that the right to terminate this Agreement under this SECTION 8.1(j) shall not be available to any party whose failure to fulfill any obligation under this Agreement (including without limitation SECTION 5.4(a)) has to any extent been the cause of, or resulted in, the failure of the Closing to occur on or before the Termination Date; or

(k) by Target, if the amount per Ordinary Share to be distributed by Target to Target shareholders, in accordance with the Protocol, will be less than EURO 53 (prior to giving effect to any withholding tax to be withheld by Target under Dutch law and without regard to the Ordinary Shares held by the Voting Trust) solely as a result of surtax tax imposed under Article IV. B. Inroeringswet Inkomstenbelasting 2001 (the "TARGET MINIMUM AMOUNT") and if the Supervisory Board of Target has given each Parent Entity written notice of Target's election to terminate this Agreement pursuant to this Section 8.1(k) and such notice describes in reasonable detail the reasons that the amount per Ordinary Share to be distributed will be less than EURO 53; PROVIDED, HOWEVER, that the Parent Entities may, at their sole option, either: (i) nullify such election to terminate by giving written notice to the Supervisory Board of Target, within five Business Days after all of the Parent Entities have received Target's notice, that the Parent Entities will agree to a delay in the distribution of a portion of the amount to be distributed to Target shareholders and to amend the Protocol in conjunction with Target to reflect such delay (so long as such delay does not extend later than January 30, 2003) such that the amount per Ordinary Share distributed, in accordance with the Protocol, will equal not less than the Target Minimum Amount; or (ii) accept such termination by giving written notice to the Supervisory Board of Target, within five Business Days after all of the Parent Entities have received Target's notice, and PROVIDED, FURTHER, that it shall be a condition to termination pursuant to this SECTION 8.1(k) that the Target shall have made the payment of the Break-Up Expenses to the Purchasers required by SECTION 9.2.

SECTION 8.2. EFFECT OF TERMINATION. In the event of termination of this Agreement by either Target or Purchasers as provided in SECTION 8.1, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of Target or any Purchaser Party, other than the last sentence of SECTION 5.3, SECTION 8.1, this SECTION 8.2, SECTION 9.2 and except to the extent that such termination results from a willful breach by a party of any of its representations, warranties, covenants or agreements set forth in this Agreement.

ARTICLE IX

GENERAL PROVISIONS

SECTION 9.1. NON-SURVIVAL OF REPRESENTATIONS AND WARRANTIES. None of the representations and warranties in this Agreement or in any instrument (other than the Andersen Letter, the Loyens Tax Opinion and the final Pro Forma Tax Returns) delivered pursuant to this Agreement shall survive the Closing (and thereafter no party shall have the right to commence any action alleging any breach of such representations or warranties) or the termination of this

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Agreement pursuant to SECTION 8.1, as the case may be. This SECTION 9.1 shall not limit any covenant or agreement of the parties which by its terms contemplates performance after the Closing.

SECTION 9.2. EXPENSES.

(a) Except as otherwise specified in this SECTION 9.2 or agreed in writing by the parties, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

(b) Target agrees that if this Agreement shall be terminated pursuant to SECTION 8.1(b) OR (e) OR (h) OR (k), then Target will pay to each Purchaser, or to such party or parties as directed by such Purchaser, a cash amount in EUROs equal to the Break-Up Expenses (as hereinafter defined) applicable to such Purchaser. Target also agrees that (i) if this Agreement shall be terminated pursuant to SECTION 8.1(j) and the closing has not occurred prior to the Termination Date due to a failure to obtain a Necessary Consent (provided that Purchasers have complied with SECTION 5.4(a)), then Target will pay to each Purchaser, or to such party or parties as directed by such Purchaser, a cash amount in EUROs equal to the Reduced Break-Up Expenses applicable to such Purchaser and (ii) if this Agreement shall be terminated pursuant to SECTION 8.1(j) and the closing has not occurred prior to the Termination Date due to a failure to fulfill SECTION 7.1(c) (provided that

Purchasers have complied with SECTION 5.4(a)), then Target will pay to each Purchaser, or to such party or parties as directed by such Purchaser, a cash amount in EUROs equal to the Break-Up Expenses applicable to such Purchaser. Target further agrees that (i) if this Agreement is terminated pursuant to SECTION 8.1(c) OR (d), or (ii) if (A) Purchasers or Target shall terminate this Agreement pursuant to SECTION 8.1(g) (provided that the basis for such termination is the failure of Target's shareholders to approve the Purchase) or SECTION 8.1(j) without the Shareholders Meeting having occurred, (B) at any time after the date of this Agreement and at or before the time of the event giving rise to such termination there shall exist an Acquisition Proposal with respect to Target, and (C) within 12 months of any such termination of this Agreement, Target or any of its Subsidiaries shall enter into a definitive agreement with any third party with respect to a Majority Acquisition Proposal or a Majority Acquisition Proposal is consummated, then Target shall pay to Purchasers, or as otherwise directed by Purchasers, an aggregate cash amount in EUROs equal to the Break-Up Fee (as hereinafter defined); PROVIDED, HOWEVER, that any such Break-Up Fee payable in connection with a termination pursuant to Section 8.1(j) shall be reduced by the amount of any prior payment of Break-Up Expenses or Reduced Break-Up Expenses. Payment of any of such amounts by Target, and any allocation between Purchasers of such amounts shall be made, as jointly directed by Purchasers in writing, by prompt wire transfer of immediately available funds, but in no event later than the date of termination (or in the case of clause (ii), if later, the date Target or its Subsidiary enters into such agreement with respect to or consummates such Majority Acquisition Proposal) by wire transfer of immediately available funds. A "MAJORITY ACQUISITION PROPOSAL" shall be an Acquisition Proposal to acquire at least a majority of the Assets, whether pursuant to a merger, consolidation or other business combination, sale of shares of capital stock, sale of assets, tender offer, exchange offer or similar transaction, including any single or multi-step transaction or series of related transactions.

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(c) For purposes of this Agreement, the "BREAK-UP FEE" shall be an aggregate amount equal to 2% of the Purchase Price (with the Purchase Price calculated as if the Closing Date had occurred on the date of the termination giving rise to Target's obligation to pay the Break-Up Fee).

(d) For purposes of this Agreement, the "BREAK-UP EXPENSES" shall be an amount equal to the lesser of (i) the actual out-of-pocket expenses of Purchasers and any of their respective Affiliates incurred in connection with this Agreement and the transactions contemplated hereby (including, without limitation, all attorneys', accountants', investment bankers' and financing sources' fees and expenses) and (ii) 1% of the Purchase Price (with the Purchase Price calculated as if the Closing Date had occurred on the date of the termination giving rise to Target's obligation to pay the Break-Up Expenses). For purposes of this Agreement, the "REDUCED BREAK-UP EXPENSES" shall mean the Break-Up Expenses, except that such expenses shall be capped at 1/2% (rather than 1%) of the Purchase Price.

(e) In the event that either Purchaser is required to file suit to seek all or a portion of the amounts payable under this SECTION 9.2, and Purchasers prevail in such litigation, Purchasers shall be entitled to all expenses, including attorneys' fees and expenses, which it has incurred in enforcing its rights under this SECTION 9.2.

(f) Notwithstanding anything to the contrary in this Agreement, each Purchaser expressly acknowledges and agrees that, with respect to any termination of this Agreement pursuant to SECTION 8.1 in circumstances where the Break-Up Fee is payable in accordance with SECTION 9.2(b), the payment of the Break-Up Fee shall constitute liquidated damages with respect to any claim for damages or any other claim which such Purchaser would otherwise be entitled to assert against Target or any Target Subsidiary or any of their respective assets, or against any of their respective directors, officers, employees, partners or stockholders, with respect to this Agreement and the transactions contemplated by this Agreement and shall constitute the sole and exclusive remedy available to such Purchaser. The parties hereto expressly acknowledge and agree that, in light of the difficulty of accurately determining actual damages with respect to the foregoing upon any termination of this Agreement pursuant to SECTION 8.1 in circumstances where the Break-Up Fee is payable in accordance with SECTION 9.2(b), the right to payment under SECTION 9.2(b): (i) constitutes a reasonable estimate of the damages that will be suffered by reason of any such proposed or actual termination of this Agreement pursuant to said section, and (ii) shall be in full and complete satisfaction of any and all damages arising as a result of the foregoing. Except for nonpayment of the amounts set forth in SECTION 9.2(b), each Purchaser hereby agrees that, upon any termination of this Agreement in circumstances where the Break-Up Fee is payable, in no event shall such Purchaser or its affiliated Parent Entity (A) seek to obtain any recovery or judgment against Target or any Target Subsidiary or any of their respective assets, or against any of their respective directors, officers, employees, partners or stockholders, or (B) be entitled to seek or obtain any other damages of any kind, including, without limitation, consequential, indirect or punitive damages.

(g) In the event that any Dutch court, including the Enterprise Chamber determines that any term or provision of SECTION 5.8 or this SECTION 9.2 is unenforceable or unreasonable as a matter of Law, such term or provision shall automatically be modified to the extent such Dutch court determines necessary to conform to applicable Law, and this Agreement

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and, as applicable, the Protocol, as so modified, shall thereafter remain in full force and effect. The parties hereto agree that, upon the occurrence of such an event as described in the immediately preceding sentence, (i) the Dutch court shall have the power to reduce the amount, scope or magnitude of any such term or provision, to delete specific words or phrases from such term or provision, or to replace any invalid or unenforceable term or provision so implicated with a modified term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, (ii) the parties hereto shall request that the Dutch court exercise that power and (iii) thereafter this Agreement (and the Protocol) shall be enforceable as so modified after the expiration of the time within which the judgment or decision may be applied.

(h) Notwithstanding the foregoing, in no event shall the amount paid to any of the Purchasers pursuant to this Agreement in any tax year exceed the maximum amount that can be paid to such Purchaser in such year without causing any REIT with which it is affiliated to fail to meet the REIT requirements for such year, determined as if the payment of such amount did not constitute Qualifying Income as determined by independent accountants to such Purchaser. If the amount payable for any tax year under the preceding sentence is less than the amount which Target would otherwise be obligated to pay to the applicable Purchaser pursuant to this Agreement (the "EXPENSE AMOUNT"), such Purchaser shall so notify Target, and Target shall (at such Purchaser's sole cost and expense) place the remaining portion of the Expense Amount in escrow and shall not execute any instrumentation permitting any release of any portion thereof to the applicable Purchaser, and the applicable Purchaser shall not be entitled to any such amount, unless and until Target and escrow holder receive (all at the applicable Purchaser's sole cost and expense) notice from applicable Purchaser, together with either (i) an opinion of the applicable Purchaser's tax counsel to the effect that such amount, if and to the extent paid, would not constitute gross income which is not Qualifying Income or (ii) a letter from the applicable Purchaser's independent accountants indicating the maximum amount that can be paid at that time to the Purchasers (determined as if such payment did not constitute Qualifying Income) without causing any REIT with which it is affiliated to fail to meet the REIT requirements for any relevant taxable year, together with either an IRS Ruling issued to such REIT or an opinion of such Purchaser's tax counsel to the effect that such payment would not be treated as includible in the income of such REIT for any prior taxable year, in which event escrow holder shall pay such maximum amount. Target's and escrow holder's obligation to pay any unpaid portion of the Expense Amount shall terminate ten (10) years from the date of this Agreement, and upon such date, escrow holder shall remit any remaining funds in escrow to Target and Target shall have no obligation to make any further payments notwithstanding that the entire Expense Amount has not been paid as of such date. For purposes of the foregoing, Qualifying Income shall mean income qualifying within the meaning of Section 856(c)(2) of the Code.

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SECTION 9.3. NOTICES. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by courier service, by cable, by telecopy, by telegram, by telex or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this SECTION 9.3):

(a) if to Target:

Rodamco North America N.V.
c/o Urban Retail Properties Co.
900 North Michigan Avenue
Suite 1500
Chicago, Illinois 60611
Attention: Gerald E. Egan and Michael G. Hilborn

Phone: 312-915-1450
Fax: 312-915-3356

with a copy to:

Winston & Strawn
35 West Wacker Drive
Chicago, IL 60601
Attention: Steven J. Gavin, Esq.

Phone: (312) 558-5600
Fax: (312) 558-5700

(b) if to Wallaby or Wallaby Acquisition Sub:

11601 Wilshire Boulevard
Suite 12
Los Angeles, California 90025
Attention: General Counsel

Phone: 310-478-4456
Fax: 310-478-1267

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with a copy to:

Skadden, Arps, Slate, Meager & Flom LLP
One Canada Square, Canary Wharf
London E14 5DS
United Kingdom
Attention: Scott V. Simpson

Phone: 011-44-207-519-7000
Fax: 011-44-207-519-7070

(c) if to Hoosier or Hoosier Acquisition Sub:

National City Center
115 West Washington Street
Indianapolis, Indiana 46204
Attention: James M. Barkley

Phone: 317-263-7083
Fax: 317-685-7377

with a copy to:

Willkie Farr & Gallagher
787 Seventh Avenue
New York, NY 10019
Attention: Richard L. Posen

Phone: 212-728-8000
Fax: 212-728-8111

(d) if to Terrapin or Terrapin Acquisition Sub:

10275 Little Patuxent Parkway
Columbia, Maryland 21044
Attention: General Counsel

Phone: 410-992-6405
Fax: 410-992-6392

with a copy to:

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Fried Frank Harris Shriver & Jacobson
One New York Plaza
New York, NY 10004
Attention: Arthur Fleischer, Jr.

Phone: 212-859-8000
Fax: 212-859-4000

SECTION 9.4. WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

SECTION 9.5. HEADINGS. The descriptive headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 9.6. SEVERABILITY. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect (i) so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party or (ii) in accordance with SECTION 9.2(g). Except as otherwise provided in SECTION 9.2(g) hereof, upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

SECTION 9.7. ASSIGNMENT. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; PROVIDED, that neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned (whether by operation of Law or otherwise) without the express written consent of the other parties hereto (which consent may be granted or withheld in the sole discretion of the party from whom such consent is requested) except that Purchasers (or any Purchaser) may assign their or its rights, but not their or its respective obligations (other than their respective obligations to purchase the Assets), to any Purchaser Designee or Affiliate of either Purchaser without the consent of Target; PROVIDED, FURTHER, that no such assignment shall relieve Purchasers (or any Purchaser) of any liability or obligation under this Agreement.

SECTION 9.8. ENTIRE AGREEMENT; NO THIRD-PARTY BENEFICIARIES. This Agreement and the Confidentiality Agreements constitute the entire agreement and

supersede all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter of this Agreement, and, except for the Protocol and the Voting and Support Agreement, there are no other or additional agreements between Purchasers or any of their Affiliates, on the one hand, Target and its Affiliates, on the other hand, relating to, arising from

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or otherwise entered into in connection with this Agreement and the transactions contemplated hereby. Except for the provisions of SECTION 5.11(a)-(e), this Agreement is not intended to confer upon any Person other than the parties hereto any rights or remedies. In the event of any conflict or inconsistency between the terms of this Agreement and the Protocol, the parties agree that the terms of this Agreement shall control.

SECTION 9.9. AMENDMENT. This Agreement may not be amended or modified except by an instrument in writing signed by, or on behalf of, Target and each Purchaser Party.

SECTION 9.10. GOVERNING LAW. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, applicable to contracts executed in and to be performed entirely within that state, without regard to conflicts of law principles. All actions and proceedings arising out of or relating to this Agreement shall be heard and determined in any New York state or federal court sitting in the City of New York.

SECTION 9.11. COUNTERPARTS. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

SECTION 9.12. WAIVER. Target, on the one hand, and Purchasers, collectively on the other hand, may (a) extend the time for the performance of any of the obligations or other acts of the other party, (b) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document delivered by the other party pursuant hereto or (c) waive compliance with any of the agreements or conditions of the other party contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition, of this Agreement. The failure of any party to assert any of its rights hereunder shall not constitute a waiver of any of such rights.

SECTION 9.13. RESERVATION OF RIGHTS. If the Closing does not occur and this Agreement is terminated pursuant to the terms hereof, the Transaction Documents and any other discussions, negotiations or exchanges relating to the transactions contemplated by the Transaction Documents shall be with full reservation of rights and none of the Transaction Documents (other than the Confidentiality Agreements) or any such discussions, negotiations or exchanges shall be regarded as waiving any rights or claims of any party thereto in any ruling, litigation or any future claims that are or could be made relating to the transactions contemplated by the Transaction Documents.

SECTION 9.14. ENFORCEMENT.

(a) Target acknowledges and agrees that it shall not be entitled to seek an injunction or injunctions to prevent any Purchaser Party from breaching this Agreement or to enforce specifically the terms and provisions of this Agreement in any court located anywhere in the world. Target agrees that the Purchaser Parties would suffer irreparable damage in the event that any of the provisions of this Agreement were not performed in accordance with their

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specific terms or were otherwise breached. It is accordingly agreed that the Purchasers shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States located in the State of New York or in any New York state court, this being in addition to any other remedy to which they are entitled at Law or in equity.

(b) Each of the parties hereto irrevocably agrees that any legal action or proceeding with respect to this Agreement or for recognition and enforcement of any judgment in respect hereof brought by the other party hereto or its successors or assigns shall only be brought and determined in any federal court located in the State of New York or any New York state court sitting in the City of New York, and each of the parties hereto hereby irrevocably submits with regard to any such action or proceeding for itself and in respect to its property, generally and unconditionally, to the exclusive jurisdiction of the aforesaid courts. Each of the parties hereto hereby irrevocably waives, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement, (i) any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason other than the failure to serve process in accordance with this Section 9.13, (ii) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise), and (iii) to the

fullest extent permitted by applicable law, that (A) the suit, action or proceeding in any such court is brought in an inconvenient forum, (B) the venue of such suit, action or proceeding is improper and (C) this Agreement, or the subject matter hereof, may not be enforced in or by such courts. Each of the parties further agrees that service of any process, summons, notice or document by U.S. registered mail to such party's respective address set forth herein shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which it has submitted to jurisdiction as set forth in this section.

SECTION 9.15. EXHIBITS; DISCLOSURE LETTER. All Exhibits referred to herein and in the Target Disclosure Letter are intended to be and hereby are specifically made a part of this Agreement.

SECTION 9.16. JOINT AND SEVERAL OBLIGATIONS. Subject to the following proviso, all obligations of any Purchaser Party hereunder shall be joint and several obligations of all of the Purchasers Parties; PROVIDED, HOWEVER, that (i) no obligation of a Purchaser under SECTION 2.3, SECTION 5.11(f) or ARTICLE VI hereof shall be a joint and several obligation of any Parent Entity and (ii) no obligation of Hoosier or Terrapin under SECTION 5.11(a)-(e) shall be a joint and several obligation of Wallaby, Wallaby Acquisition Sub or any of Wallaby Acquisition Sub's Purchaser Designees.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, each of the parties hereto have caused this Purchase Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

RODAMCO NORTH AMERICA, N.V.

By: _____
Name:
Title:

By: _____
Name:
Title:

WESTFIELD AMERICA LIMITED PARTNERSHIP

By: Westfield America, Inc., its general partner

By: _____
Name:
Title:

WESTFIELD GROWTH, LP

By: Westfield Growth II, LP, its general partner

By: Westfield Centers, LLC, its general partner

By: Westfield America Limited Partnership, its managing member

By: Westfield America, Inc., its general partner

By: _____
Name:
Title:

[Signature Page to Purchase Agreement]

SIMON PROPERTY GROUP, L.P.

By: Simon Property Group, Inc., its general partner

By: _____
Name:
Title:

HOOSIER ACQUISITION, LLC

By: Simon Property Group, L.P., its managing member

By: Simon Property Group, Inc., its
general partner

By: _____
Name:
Title:

THE ROUSE COMPANY

By: _____
Name:
Title:

TERRAPIN ACQUISITION, LLC

By: The Rouse Company, its managing member

By: _____
Name:
Title:

[Signature Page to Purchase Agreement]

=====
CREDIT AGREEMENT

Dated as of February 28, 2002

among

SIMON PROPERTY GROUP, L.P.

THE INSTITUTIONS FROM TIME TO TIME
PARTY HERETO AS LENDERS

and

COMMERZBANK AG, NEW YORK BRANCH, AS ADMINISTRATIVE AGENT,
ARRANGER, AND BOOK MANAGER

and

JPMORGAN CHASE BANK, AS SYNDICATION AGENT

and

NATIONAL CITY BANK, AS DOCUMENTATION AGENT
=====

CREDIT AGREEMENT

This Credit Agreement, dated as of February 28, 2002 (as amended,
supplemented or modified from time to time, the "AGREEMENT") is entered into
among SIMON PROPERTY GROUP, L.P., the institutions from time to time a party
hereto as Lenders, whether by execution of this Agreement or an Assignment and
Acceptance, and COMMERZBANK AG, NEW YORK BRANCH, as Administrative Agent,
arranger, book manager, JPMORGAN CHASE BANK, as Syndication Agent, and NATIONAL
CITY BANK, as Documentation Agent.

R E C I T A L S

WHEREAS, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

1.1. CERTAIN DEFINED TERMS. The following terms used in this Agreement
shall have the following meanings, applicable both to the singular and the
plural forms of the terms defined:

"ADMINISTRATIVE AGENT" is Commerzbank, and each successor
Administrative Agent appointed pursuant to the terms of ARTICLE XII of this
Agreement.

"AFFILIATE", as applied to any Person, means any other Person that
directly or indirectly controls, is controlled by, or is under common control
with, that Person. For purposes of this definition, "control" (including, with
correlative meanings, the terms "controlling", "controlled by" and "under
common control with"), as applied to any Person, means the possession, directly
or indirectly, of the power to vote fifteen percent (15.0%) or more of the
equity Securities having voting power for the election of directors of such
Person or otherwise to direct or cause the direction of the

management and policies of that Person, whether through the ownership of voting
equity Securities or by contract or otherwise.

"AGENT" means Commerzbank in its capacity as Administrative Agent,
each Documentation Agent, Syndication Agent, and each successor agent appointed
pursuant to the terms of ARTICLE XII of this Agreement.

"AGREEMENT" is defined in the preamble hereto.

"ANNUAL EBITDA" means, with respect to any Project or Minority
Holding, as of the first day of each fiscal quarter for the immediately
preceding consecutive four fiscal quarters, an amount equal to (i) total
revenues relating to such Project or Minority Holding for such period, LESS
(ii) total operating expenses relating to such Project or Minority Holding for
such period (it being understood that the foregoing calculation shall exclude
non-cash charges as determined in accordance with GAAP). Each of the foregoing
amounts shall be determined by reference to the Borrower's Statement of
Operations for the applicable periods. An example of the foregoing calculation
is set forth on EXHIBIT G hereto.

"APPLICABLE LENDING OFFICE" means, with respect to a particular
Lender, (i) its Eurodollar Lending Office in respect of provisions relating to
Eurodollar Rate Loans, and (ii) its Domestic Lending Office in respect of
provisions relating to Base Rate Loans.

"APPLICABLE MARGIN" means, with respect to each Loan, the respective percentages per annum determined, at any time, based on the range into which Borrower's Credit Rating then falls, in accordance with the following tables. Any change in the Applicable Margin shall be effective immediately as of the date on which any of the rating agencies announces a change in the Borrower's Credit Rating or the date on which the Borrower has no Credit Rating, whichever is applicable.

The Applicable Margin, from time to time, depending on Borrower's Credit Rating shall be as follows:

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Range of Applicable Applicable Borrower's Margin for Margin for Credit Rating Eurodollar Rate Loans Base Rate S&P/Moody's and IBOR Rate Loans Loans Ratings) (% per annum) (% per annum) ----- ----- ----- ----- ----- --- below BBB-/Baa3 1.250% 0.00%
BBB-/Baa3 0.900% 0.00%
BBB/Baa2 0.750% 0.00%
BBB+/Baa1 0.650% 0.00%
A-/A3 0.500% 0.00%

If at any time the Borrower has a Credit Rating by both Moody's and S&P which Credit Ratings are split, then: (A) if the difference between such Credit Ratings is one ratings category (e.g. Baa2 by Moody's and BBB- by S&P), the Applicable Margin shall be the rate per annum that would be applicable if the higher of the Credit Ratings were used; and (B) if the difference between such Credit Ratings is two ratings category (e.g. Baa1 by Moody's and BBB- by S&P), the Applicable Margin shall be the rate per annum that would be applicable if the median of the applicable Credit Ratings is used.

"Assignment and Acceptance" means an Assignment and Acceptance in substantially the form of EXHIBIT A attached hereto and made a part hereof (with blanks appropriately completed) delivered to the Administrative Agent in connection with an assignment of a Lender's interest under this Agreement in accordance with the provisions of SECTION 15.1.

"AUTHORIZED FINANCIAL OFFICER" means a chief executive officer, chief financial officer, treasurer or other qualified senior officer acceptable to the Administrative Agent.

"BASE EURODOLLAR RATE" means, with respect to any Eurodollar Interest Period applicable to a Borrowing of Eurodollar Rate Loans, an interest rate per annum determined by the Administrative Agent to be the rate per annum at which deposits in Dollars are offered by the principal office of the Reference Bank in London, England to major banks in the London interbank market at approximately 11:00 a.m. (London time) on the Eurodollar Interest Rate Determination Date for such Eurodollar Interest Period for a period equal to such Eurodollar Interest Period and in an amount

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substantially equal to the amount of the Eurodollar Rate Loan.

"BASE RATE" means, for any period, a fluctuating interest rate per annum as shall be in effect from time to time, which rate per annum shall at all times be equal to the higher of:

(ii) the rate of interest announced publicly by Commerzbank in New York City from time to time, as Commerzbank's prime rate; and

(iii) the sum of (A) one-half of one percent (0.50%) per annum PLUS (B) the Federal Funds Rate in effect from time to time during such period.

"BASE RATE LOAN" means (i) a Loan which bears interest at a rate determined by reference to the Base Rate and the Applicable Margin as provided in SECTION 5.1(a) or (ii) an overdue amount which was a Base Rate Loan immediately before it became due.

"BORROWER" means SIMON PROPERTY GROUP, L.P., a Delaware limited partnership.

"BORROWER PARTNERSHIP AGREEMENT" means the Seventh Amended and Restated Limited Partnership Agreement of the Borrower, dated as of August 27, 1999, as such agreement may be amended, restated, modified or supplemented from time to time with the consent of the Administrative Agent or as permitted under Section 10.10.

"BORROWING" means a borrowing consisting of Loans of the same type made, continued or converted on the same day.

"BUSINESS ACTIVITY REPORT" means (i) an Indiana Business Activity Report from the Indiana Department of Revenue, Compliance Division, or (ii) a Notice of Business Activities Report from the State of New Jersey Division of Taxation, (iii) a Minnesota Business Activity Report from the Minnesota Department of Revenue, or (iv) a similar report to those referred to in clauses (i) through (iii) hereof with respect to any jurisdiction where the failure to file such report would have a Material Adverse Effect.

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"BUSINESS DAY" means a day, in the applicable local time, which is not a Saturday or Sunday or a legal holiday and on which banks are not required or permitted by law or other governmental action to close (i) in New York, New York and (ii) in the case of Eurodollar Rate Loans, in London, England and/or New York, New York and (iii) in the case of Letter of Credit transactions for a particular Lender, in the place where its office for issuance or administration of the pertinent Letter of Credit is located and/or New York, New York.

"CAPITAL EXPENDITURES" means, for any period, the aggregate of all expenditures (whether payable in cash or other Property or accrued as a liability (but without duplication)) during such period that, in conformity with GAAP, are required to be included in or reflected by the Company's, the Borrower's or any of their Subsidiaries' fixed asset accounts as reflected in any of their respective balance sheets; PROVIDED, HOWEVER, (i) Capital Expenditures shall include, whether or not such a designation would be in conformity with GAAP, (a) that portion of Capital Leases which is capitalized on the consolidated balance sheet of the Company, the Borrower and their Subsidiaries and (b) expenditures for Equipment which is purchased simultaneously with the trade-in of existing Equipment owned by either General Partner, the Borrower or any of their Subsidiaries, to the extent the gross purchase price of the purchased Equipment exceeds the book value of the Equipment being traded in at such time; and (ii) Capital Expenditures shall exclude, whether or not such a designation would be in conformity with GAAP, expenditures made in connection with the restoration of Property, to the extent reimbursed or financed from insurance or condemnation proceeds.

"CAPITALIZATION VALUE" means the sum of (i) Combined EBITDA capitalized at an annual interest rate equal to 8.25%, and (ii) Cash and Cash Equivalents, and (iii) Construction Asset Cost.

"CAPITAL LEASE" means any lease of any property (whether real, personal or mixed) by a Person as lessee which, in conformity with GAAP, is accounted for as a capital lease on the balance sheet of that Person.

"CAPITAL STOCK" means, with respect to any Person, any capital stock of such Person, regardless of class or

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designation, and all warrants, options, purchase rights, conversion or exchange rights, voting rights, calls or claims of any character with respect thereto.

"CASH AND CASH EQUIVALENTS" means (i) cash, (ii) marketable direct obligations issued or unconditionally guaranteed by the United States government and backed by the full faith and credit of the United States government; and (iii) domestic and Eurodollar certificates of deposit and time deposits, bankers' acceptances and floating rate certificates of deposit issued by any commercial bank organized under the laws of the United States, any state thereof, the District of Columbia, any foreign bank, or its branches or agencies (fully protected against currency fluctuations), which, at the time of acquisition, are rated A-1 (or better) by S&P or P-1 (or better) by Moody's; PROVIDED THAT the maturities of such Cash and Cash Equivalents shall not exceed one year.

"CASH INTEREST EXPENSE" means, for any period, total interest expense, whether paid or accrued, but without duplication, (including the interest component of Capital Leases) of the Borrower, which is payable in cash, all as

determined in conformity with GAAP.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. SECTIONS 9601 ET SEQ., any amendments thereto, any successor statutes, and any regulations or guidance promulgated thereunder.

"CLAIM" means any claim or demand, by any Person, of whatsoever kind or nature for any alleged Liabilities and Costs, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute, Permit, ordinance or regulation, common law or otherwise.

"CLOSING DATE" means February 28, 2002.

"COMBINED DEBT SERVICE" means, for any period, the sum of (i) regularly scheduled payments of principal and interest of the Consolidated Businesses paid during such period and (ii) the portion of the regularly scheduled payments of principal and interest of Minority Holdings allocable to the Borrower in accordance with GAAP, paid during such

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period, in each case including participating interest expense and excluding balloon payments of principal and extraordinary interest payments and net of amortization of deferred costs associated with new financings or refinancings of existing Indebtedness.

"COMBINED EBITDA" means the sum of (i) 100% of the Annual EBITDA from the Consolidated Businesses; and (ii) the portion of the Annual EBITDA of the Minority Holdings allocable to the Borrower in accordance with GAAP; and (iii) for so long as the Borrower owns a majority economic interest in the Management Company, 100% of the Borrower's share of the actual Annual EBITDA of the Management Company; provided, however that the Borrower's share of the Annual EBITDA of the Management Company shall in no event constitute in excess of five percent (5%) of Combined EBITDA. For purposes of newly opened Projects which are no longer capitalized, the Annual EBITDA shall be based upon twelve-month projections of contractual rental revenues multiplied by the EBITDA profit margin of the Borrower property type (i.e. regional mall or community center) as such profit margin is reported in the most recently published annual report or 10-K for the Company, until such time as actual performance data for a twelve-month period is available.

"COMBINED EQUITY VALUE" means Capitalization Value minus Total Adjusted Outstanding Indebtedness.

"COMBINED INTEREST EXPENSE" means, for any period, the sum of (i) interest expense of the Consolidated Businesses paid during such period and (ii) interest expense of the Consolidated Businesses accrued for such period and (iii) the portion of the interest expense of Minority Holdings allocable to the Borrower in accordance with GAAP and paid during such period and (iv) the portion of the interest expense of Minority Holdings allocable to the Borrower in accordance with GAAP and accrued for such period, in each case including participating interest expense but excluding extraordinary interest expense, and net of amortization of deferred costs associated with new financings or refinancings of existing Indebtedness.

"COMMERZBANK" means Commerzbank AG, New York Branch.

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"COMMISSION" means the Securities and Exchange Commission and any Person succeeding to the functions thereof.

"COMMITMENT" means, with respect to any Lender, the obligation of such Lender to make Loans pursuant to the terms and conditions of this Agreement, and which shall not exceed the principal amount set forth opposite such Lender's name under the heading "Commitment" on the signature pages hereof or the signature page of the Assignment and Acceptance by which it became a Lender, as modified from time to time pursuant to the terms of this Agreement or to give effect to any applicable Assignment and Acceptance, and "COMMITMENTS" means the aggregate principal amount of the Commitments of all the Lenders, the maximum amount of which shall be \$150,000,000, as reduced from time to time pursuant to Section 4.1.

"COMPANY" means Simon Property Group, Inc., a Delaware corporation.

"COMPLIANCE CERTIFICATE" is defined in SECTION 8.2(b).

"CONSOLIDATED" means consolidated, in accordance with GAAP.

"CONSOLIDATED BUSINESSES" means the General Partners, the Borrower and their wholly-owned Subsidiaries.

"CONSTRUCTION ASSET COST" means, with respect to Property on which construction of Improvements has commenced (such commencement evidenced by foundation excavation) but has not yet been completed (as such completion shall be evidenced by such Property being opened for business to the general public), the aggregate sums expended on the construction of such Improvements (including land acquisition costs).

"CONTAMINANT" means any waste, pollutant, hazardous substance, toxic

substance, hazardous waste, special waste, petroleum or petroleum-derived substance or waste, radioactive materials, asbestos (in any form or condition), polychlorinated biphenyls (PCBs), or any constituent of any such substance or waste, and includes, but is not limited to, these terms as defined in federal, state or local laws or regulations.

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"CONTINGENT OBLIGATION" as to any Person means, without duplication, (i) any contingent obligation of such Person required to be shown on such Person's balance sheet in accordance with GAAP, and (ii) any obligation required to be disclosed in the footnotes to such Person's financial statements in accordance with GAAP, guaranteeing partially or in whole any non-recourse Indebtedness, lease, dividend or other obligation, exclusive of contractual indemnities (including, without limitation, any indemnity or price-adjustment provision relating to the purchase or sale of securities or other assets) and guarantees of non-monetary obligations (other than guarantees of completion) which have not yet been called on or quantified, of such Person or of any other Person. The amount of any Contingent Obligation described in clause (ii) shall be deemed to be (a) with respect to a guaranty of interest or interest and principal, or operating income guaranty, the sum of all payments required to be made thereunder (which in the case of an operating income guaranty shall be deemed to be equal to the debt service for the note secured thereby), calculated at the interest rate applicable to such Indebtedness, through (i) in the case of an interest or interest and principal guaranty, the stated date of maturity of the obligation (and commencing on the date interest could first be payable thereunder), or (ii) in the case of an operating income guaranty, the date through which such guaranty will remain in effect, and (b) with respect to all guarantees not covered by the preceding clause (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such guaranty is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as recorded on the balance sheet and on the footnotes to the most recent financial statements of the applicable Borrower required to be delivered pursuant hereto. Notwithstanding anything contained herein to the contrary, guarantees of completion shall not be deemed to be Contingent Obligations unless and until a claim for payment has been made thereunder, at which time any such guaranty of completion shall be deemed to be a Contingent Obligation in an amount equal to any such claim. Subject to the preceding sentence, (i) in the case of a joint and several guaranty given by such Person and another Person (but only to the extent such guaranty is recourse, directly or indirectly to the applicable Borrower), the amount of the guaranty shall be deemed to be

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100% thereof unless and only to the extent that (X) such other Person has delivered Cash or Cash Equivalents to secure all or any part of such Person's guaranteed obligations or (Y) such other Person holds an Investment Grade Credit Rating from either Moody's or S&P, and (ii) in the case of a guaranty, (whether or not joint and several) of an obligation otherwise constituting Debt of such Person, the amount of such guaranty shall be deemed to be only that amount in excess of the amount of the obligation constituting Indebtedness of such Person. Notwithstanding anything contained herein to the contrary, "Contingent Obligations" shall not be deemed to include guarantees of loan commitments or of construction loans to the extent the same have not been drawn.

"CONTRACTUAL OBLIGATION", as applied to any Person, means any provision of any Securities issued by that Person or any indenture, mortgage, deed of trust, security agreement, pledge agreement, guaranty, contract, undertaking, agreement or instrument to which that Person is a party or by which it or any of its properties is bound, or to which it or any of its properties is subject.

"CREDIT RATING" means the publicly announced rating of a Person given by Moody's or S&P.

"CURE LOANS" is defined in SECTION 4.2(b)(v)(C).

"CUSTOMARY PERMITTED LIENS" means

(i) Liens (other than Environmental Liens and Liens in favor of the PBGC) with respect to the payment of taxes, assessments or governmental charges in all cases which are not yet due or which are being contested in good faith by appropriate proceedings in accordance with SECTION 9.4 and with respect to which adequate reserves or other appropriate provisions are being maintained in accordance with GAAP;

(ii) statutory Liens of landlords against any Property of the Borrower or any of its Subsidiaries and Liens against any Property of the Borrower or any of its Subsidiaries in favor of suppliers, mechanics, carriers, materialmen, warehousemen or workmen and other Liens

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against any Property of the Borrower or any of its Subsidiaries imposed by law created in the ordinary course of business for amounts which, if not resolved in favor of the Borrower or such Subsidiary, could not result in a Material Adverse Effect;

(iii) Liens (other than any Lien in favor of the PBGC) incurred or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance or other types of social security benefits or to secure the performance of bids, tenders, sales, contracts (other than for the repayment of borrowed money), surety, appeal and performance bonds; PROVIDED THAT (A) all such Liens do not in the aggregate materially detract from the value of the Borrower's or such Subsidiary's assets or Property or materially impair the use thereof in the operation of their respective businesses, and (B) all Liens of attachment or judgment and Liens securing bonds to stay judgments or in connection with appeals do not secure at any time an aggregate amount of recourse Indebtedness exceeding \$10,000,000; and

(iv) Liens against any Property of the Borrower or any Subsidiary of the Borrower arising with respect to zoning restrictions, easements, licenses, reservations, covenants, rights-of-way, utility easements, building restrictions and other similar charges or encumbrances on the use of Real Property which do not interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries to the extent it could not result in a Material Adverse Effect.

"DEBT YIELD" is defined in SECTION 10.12(d).

"DESIGNEE LENDER" shall have the meaning set forth in SECTION 15.1(f) hereof.

"DOCUMENTATION AGENT" means National City Bank, and each successor Documentation Agent appointed pursuant to the terms of ARTICLE XII of this Agreement.

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"DOL" means the United States Department of Labor and any Person succeeding to the functions thereof.

"Dollars" and "\$" mean the lawful money of the United States.

"DOMESTIC LENDING OFFICE" means, with respect to any Lender, such Lender's office, located in the United States, specified as the "Domestic Lending Office" under its name on the signature pages hereof or on the Assignment and Acceptance by which it became a Lender or such other United States office of such Lender as it may from time to time specify by written notice to the Borrower and the Administrative Agent.

"ELIGIBLE ASSIGNEE" means (i) a Lender or any Affiliate thereof; (ii) a commercial bank having total assets in excess of \$2,500,000,000; (iii) the central bank of any country which is a member of the Organization for Economic Cooperation and Development; or (iv) a finance company or other financial institution reasonably acceptable to the Administrative Agent, which is regularly engaged in making, purchasing or investing in loans and having total assets in excess of \$300,000,000 or is otherwise reasonably acceptable to the Administrative Agent.

"ENVIRONMENTAL, HEALTH OR SAFETY REQUIREMENTS OF LAW" means all Requirements of Law derived from or relating to any federal, state or local law, ordinance, rule, regulation, Permit, license or other binding determination of any Governmental Authority relating to, imposing liability or standards concerning, or otherwise addressing the environment, health and/or safety, including, but not limited to the Clean Air Act, the Clean Water Act, CERCLA, RCRA, any so-called "Superfund" or "Superlien" law, the Toxic Substances Control Act and OSHA, and public health codes, each as from time to time in effect.

"ENVIRONMENTAL LIEN" means a Lien in favor of any Governmental Authority for any (i) liabilities under any Environmental, Health or Safety Requirement of Law, or (ii) damages arising from, or costs incurred by such Governmental Authority in response to, a Release or threatened Release of a Contaminant into the environment.

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"ENVIRONMENTAL PROPERTY TRANSFER ACT" means any applicable Requirement of Law that conditions, restricts, prohibits or requires any notification or disclosure triggered by the transfer, sale, lease or closure of any Property or deed or title for any Property for environmental reasons, including, but not limited to, any so-called "Environmental Cleanup Responsibility Act" or "Responsible Property Transfer Act".

"EQUIPMENT" means equipment used in connection with the maintenance of Projects and Properties.

"ERISA" means the Employee Retirement Income Security Act of 1974, 29 U.S.C. Sections 1000 ET SEQ., any amendments thereto, any successor statutes, and any regulations or guidance promulgated thereunder.

"ERISA AFFILIATE" means (i) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Internal Revenue Code) as the Borrower; (ii) a partnership or other trade or business (whether or not incorporated) which is under common control (within the meaning of Section 414(c) of the Internal Revenue Code) with the Borrower; and (iii) a member of the same affiliated service group (within the meaning of Section 414(m) of the Internal Revenue Code) as the Borrower, any corporation

described in clause (i) above or any partnership or trade or business described in clause (ii) above.

"ERISA TERMINATION EVENT" means (i) a Reportable Event with respect to any Plan; (ii) the withdrawal of the Borrower or any ERISA Affiliate from a Plan during a plan year in which the Borrower or such ERISA Affiliate was a "substantial employer" as defined in Section 4001(a)(2) of ERISA or the cessation of operations which results in the termination of employment of 20% of Plan participants who are employees of the Borrower or any ERISA Affiliate; (iii) the imposition of an obligation on the Borrower or any ERISA Affiliate under Section 4041 of ERISA to provide affected parties written notice of intent to terminate a Plan in a distress termination described in Section 4041(c) of ERISA; (iv) the institution by the PBGC of proceedings to terminate a Plan; (v) any event or condition which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee

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to administer, any Plan; or (vi) the partial or complete withdrawal of the Borrower or any ERISA Affiliate from a Multiemployer Plan.

"EURODOLLAR AFFILIATE" means, with respect to each Lender, the Affiliate of such Lender (if any) set forth below such Lender's name under the heading "Eurodollar Affiliate" on the signature pages hereof or on the Assignment and Acceptance by which it became a Lender or such Affiliate of a Lender as it may from time to time specify by written notice to the Borrower and the Administrative Agent.

"EURODOLLAR INTEREST PERIOD" is defined in SECTION 5.2(b)(i).

"EURODOLLAR INTEREST RATE DETERMINATION DATE" is defined in SECTION 5.2(c)(i).

"EURODOLLAR LENDING OFFICE" means, with respect to any Lender, such Lender's office (if any) specified as the "Eurodollar Lending Office" under its name on the signature pages hereof or on the Assignment and Acceptance by which it became a Lender or such other office or offices of such Lender as it may from time to time specify by written notice to the Borrower and the Administrative Agent.

"EURODOLLAR RATE" means, with respect to any Euro-dollar Interest Period applicable to a Eurodollar Rate Loan, an interest rate per annum obtained by dividing (i) the Base Eurodollar Rate applicable to that Eurodollar Interest Period by (ii) a percentage equal to 100% minus the Eurodollar Reserve Percentage in effect on the relevant Eurodollar Interest Rate Determination Date.

"EURODOLLAR RATE LOAN" means (i) a Loan which bears interest at a rate determined by reference to the Eurodollar Rate and the Applicable Margin for Eurodollar Rate Loans, as provided in SECTION 5.1(a) or (ii) an overdue amount which was a Eurodollar Rate Loan immediately before it became due.

"EURODOLLAR RESERVE PERCENTAGE" means, for any day, that percentage which is in effect on such day, as prescribed by the Federal Reserve Board for determining the maximum reserve requirement (including, without limitation, any

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emergency, supplemental or other marginal reserve requirement) for a member bank of the Federal Reserve System in New York, New York with deposits exceeding five billion Dollars in respect of "Eurocurrency Liabilities" (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Eurodollar Rate Loans is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any bank to United States residents).

"EVENT OF DEFAULT" means any of the occurrences set forth in SECTION 11.1 after the expiration of any applicable grace period and the giving of any applicable notice, in each case as expressly provided in SECTION 11.1.

"EXTENSION FEE" means an amount equal to twenty-five (25) basis points on the Credit Amount.

"EXTENSION NOTICE" is defined in SECTION 2.5.

"EXTENSION OPTION" is defined in SECTION 2.5.

"FACILITY FEE" is defined in SECTION 5.3(a).

"FACILITY FEE PERCENTAGE" means the applicable percentage per annum determined, at any time, based on the range into which Borrower's Credit Rating (if any) then falls, in accordance with the following tables. Any change in the Facility Fee Percentage shall be effective immediately as of the date on which any of the rating agencies announces a change in the Borrower's Credit Rating or the date on which the Borrower has no Credit Rating, whichever is applicable.

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The Facility Fee Percentage shall be as follows:

Range of
 Borrower's
 Percentage
 of Credit
 Rating
 Maximum
 Revolving
 S&P/Moody's
 Ratings
 Credit
 Commitments
 - - - - -
 - - - - -
 - - - - -
 - - - - -
 - - - - -
 BBB-/Baa3
 0.25%
 BBB-/Baa3
 0.20%
 BBB/Baa2
 0.20%
 BBB+/Baa1
 0.15%
 A-/A3
 0.15%

If at any time the Borrower has a Credit Rating by both Moody's and S&P which Credit Ratings are split, then: (A) if the difference between such Credit Ratings is one ratings category (e.g. Baa2 by Moody's and BBB- by S&P), the Facility Fee Percentage shall be the rate per annum that would be applicable if the higher of the Credit Ratings were used; and (B) if the difference between such Credit Ratings is two ratings category (e.g. Baa1 by Moody's and BBB- by S&P), the Facility Fee Percentage shall be the rate per annum that would be applicable if the median of the applicable Credit Ratings is used.

"FEDERAL FUNDS RATE" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day in New York, New York, for the next preceding Business Day) in New York, New York by the Federal Reserve Bank of New York, or if such rate is not so published for any day which is a Business Day in New York, New York, the average of the quotations for such day on transactions by the Reference Bank, as determined by the Administrative Agent.

"FEDERAL RESERVE BOARD" means the Board of Governors of the Federal Reserve System or any Governmental Authority succeeding to its functions.

"FINANCIAL STATEMENTS" means (i) quarterly and annual consolidated statements of income and retained earnings, statements of cash flow, and balance sheets, (ii) such other financial statements as any General Partner shall routinely and regularly prepare on a quarterly or annual

basis, and (iii) such other financial statements of the Consolidated Businesses or Minority Holdings as the Requisite Lenders may from time to time reasonably specify; PROVIDED, HOWEVER, that the Financial Statements referenced in clauses (i) and (ii) above shall be prepared in form satisfactory to the Administrative Agent.

"FISCAL YEAR" means the fiscal year of the Company and the Borrower for accounting and tax purposes, which shall be the 12-month period ending on December 31 of each calendar year.

"FUNDING DATE" means, with respect to any Loan, the date of funding of such Loan.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the American Institute of Certified Public Accountants' Accounting Principles Board and Financial Accounting Standards Board or in such other statements by such other entity as may be in general use by significant segments of the accounting profession as in effect on the Closing Date (unless otherwise specified herein as in effect on another date or dates).

"GENERAL PARTNER" or "GENERAL PARTNERS" means SPG, SD, the Company and any successor general partner(s) of the Borrower.

"GOVERNMENTAL APPROVAL" means all right, title and interest in any existing or future certificates, licenses, permits, variances, authorizations and approvals issued by any Governmental Authority having jurisdiction with respect to any Project.

"GOVERNMENTAL AUTHORITY" means any nation or government, any federal, state, local or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"HOLDER" means any Person entitled to enforce any of the Obligations, whether or not such Person holds any

evidence of Indebtedness, including, without limitation, the Administrative Agent, and each other Lender.

"IMPROVEMENTS" means all buildings, fixtures, structures, parking areas, landscaping and all other improvements whether existing now or hereafter constructed, together with all machinery and mechanical, electrical, HVAC and plumbing systems presently located thereon and used in the operation thereof, excluding (a) any such items owned by utility service providers, (b) any such items owned by tenants or other third-parties unaffiliated with the Borrower and (c) any items of personal property.

"INDEBTEDNESS", as applied to any Person, means, at any time, without duplication, (a) all indebtedness, obligations or other liabilities of such Person (whether consolidated or representing the proportionate interest in any other Person) (i) for borrowed money (including construction loans) or evidenced by debt securities, debentures, acceptances, notes or other similar instruments, and any accrued interest, fees and charges relating thereto, (ii) under profit payment agreements or in respect of obligations to redeem, repurchase or exchange any Securities of such Person or to pay dividends in respect of any stock, (iii) with respect to letters of credit issued for such Person's account, (iv) to pay the deferred purchase price of property or services, except accounts payable and accrued expenses arising in the ordinary course of business, (v) in respect of Capital Leases, (vi) which are Contingent Obligations or (vii) under warranties and indemnities; (b) all indebtedness, obligations or other liabilities of such Person or others secured by a Lien on any property of such Person, whether or not such indebtedness, obligations or liabilities are assumed by such Person, all as of such time; (c) all indebtedness, obligations or other liabilities of such Person in respect of interest rate contracts and foreign exchange contracts, net of liabilities owed to such Person by the counterparties thereon; (d) all preferred stock subject (upon the occurrence of any contingency or otherwise) to mandatory redemption; and (e) all contingent Contractual Obligations with respect to any of the foregoing.

"INDEMNIFIED MATTERS" is defined in SECTION 15.3.

"INDEMNITEES" is defined in SECTION 15.3.

"INITIAL FUNDING DATE" means the date on or after February 28, 2002, on which all of the conditions described in SECTION 6.1 have been satisfied (or waived) in a manner satisfactory to the Administrative Agent and the Lenders and on which the initial Loans under this Agreement are made by the Lenders to the Borrower.

"INTEREST PERIOD" is defined in SECTION 5.2(b).

"INTEREST RATE HEDGES" is defined in SECTION 9.9.

"INTERNAL REVENUE CODE" means the Internal Revenue Code of 1986, as amended to the date hereof and from time to time hereafter, any successor statute and any regulations or guidance promulgated thereunder.

"INVESTMENT" means, with respect to any Person, (i) any purchase or other acquisition by that Person of Securities, or of a beneficial interest in Securities, issued by any other Person, (ii) any purchase by that Person of all or substantially all of the assets of a business conducted by another Person, and (iii) any loan, advance (other than deposits with financial institutions available for withdrawal on demand, prepaid expenses, accounts receivable, advances to employees and similar items made or incurred in the ordinary course of business) or capital contribution by that Person to any other Person, including, without limitation, all Indebtedness to such Person arising from a sale of property by such Person other than in the ordinary course of its business. The amount of any Investment shall be the original cost of such Investment, plus the cost of all additions thereto less the amount of any return of capital or principal to the extent such return is in cash with respect to such Investment without any adjustments for increases or decreases in value or write-ups, write-downs or write-offs with respect to such Investment.

"INVESTMENT GRADE" means (i) with respect to Moody's a Credit Rating of Baa3 or higher and (ii) with respect to S&P, a Credit Rating of BBB- or higher.

"INVESTMENT GRADE CREDIT RATING" means (i) a Credit Rating of Baa3 or higher given by Moody's or (ii) a Credit Rating of BBB- or higher given by S&P.

"IRS" means the Internal Revenue Service and any Person succeeding to the functions thereof.

"KNOWLEDGE" with reference to any General Partner, the Borrower or any Subsidiary of the Borrower, means the actual knowledge of such Person after reasonable inquiry (which reasonable inquiry shall include, without limitation, interviewing and questioning such other Persons as such General Partner, the Borrower or such Subsidiary of the Borrower, as applicable, deems reasonably

necessary).

"LEASE" means a lease, license, concession agreement or other agreement providing for the use or occupancy of any portion of any Project, including all amendments, supplements, modifications and assignments thereof and all side letters or side agreements relating thereto.

"LENDER" means each financial institution a signatory hereto as a Lender as of the Closing Date and, at any other given time, each financial institution which is a party hereto as a Lender, whether as a signatory hereto or pursuant to an Assignment and Acceptance, and regardless of the capacity in which such entity is acting (i.e. whether as Administrative Agent, Syndication Agent, Documentation Agent or Lender).

"LIABILITIES AND COSTS" means all liabilities, obligations, responsibilities, losses, damages, personal injury, death, punitive damages, economic damages, consequential damages, treble damages, intentional, willful or wanton injury, damage or threat to the environment, natural resources or public health or welfare, costs and expenses (including, without limitation, attorney, expert and consulting fees and costs of investigation, feasibility or Remedial Action studies), fines, penalties and monetary sanctions, interest, direct or indirect, known or unknown, absolute or contingent, past, present or future.

"LIEN" means any mortgage, deed of trust, pledge, hypothecation, assignment, conditional sale agreement,

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deposit arrangement, security interest, encumbrance, lien (statutory or other and including, without limitation, any Environmental Lien), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever in respect of any property of a Person, whether granted voluntarily or imposed by law, and includes the interest of a lessor under a Capital Lease or under any financing lease having substantially the same economic effect as any of the foregoing and the filing of any financing statement or similar notice (other than a financing statement filed by a "true" lessor pursuant to Section 9-408 of the Uniform Commercial Code), naming the owner of such property as debtor, under the Uniform Commercial Code or other comparable law of any jurisdiction.

"LIMITED MINORITY HOLDINGS" means Minority Holdings in which (i) Borrower has a less than fifty percent (50%) ownership interest and (ii) neither the Borrower nor the Company directly or indirectly controls the management of such Minority Holdings, whether as the general partner or managing member of such Minority Holding, or otherwise. As used in this definition only, the term "control" shall mean the authority to make major management decisions or the management of day-to-day operations of such entity and shall include instances in which the Management Company manages the day-to-day leasing, management, control or development of the Properties of such Minority Interest pursuant to the terms of a management agreement.

"LIMITED PARTNERS" means those Persons who from time to time are limited partners of the Borrower; and "LIMITED PARTNER" means each of the Limited Partners, individually.

"LOAN ACCOUNT" is defined in SECTION 4.3(b).

"LOAN DOCUMENTS" means this Agreement, the Notes and all other instruments, agreements and written Contractual Obligations between the Borrower and any of the Lenders pursuant to or in connection with the transactions contemplated hereby.

"LOAN" means a Loan made by a Lender pursuant to SECTION 2.1; provided that, if any such Loan or Loans (or

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portions thereof) are combined or subdivided pursuant to a Notice of Conversion/Continuation, the term "Loan" shall refer to the combined principal amount resulting from such combination or to each of the separate principal amounts resulting from such subdivision, as the case may be.

"MANAGEMENT COMPANY" means, collectively, (i) M.S. Management Associates, Inc., a Delaware corporation and its wholly-owned or controlled Subsidiaries and (ii) such other property management companies controlled (directly or indirectly) by the Company for which the Borrower has previously provided the Administrative Agent with: (1) notice of such property management company, and (2) evidence reasonably satisfactory to the Administrative Agent that such property management company is controlled (directly or indirectly) by the Company.

"MARGIN STOCK" means "margin stock" as such term is defined in Regulation U.

"MATERIAL ADVERSE EFFECT" means a material adverse effect upon (i) the financial condition or assets of the Borrower and its Subsidiaries taken as a whole, (ii) the ability of the Borrower to perform its obligations under the Loan Documents, or (iii) the ability of the Lenders or the Administrative Agent to enforce any of the Loan Documents.

"MIS" means a computerized management information system for recording and maintenance of information regarding purchases, sales, aging, categorization, and locations of Properties, creation and aging of receivables, and accounts payable (including agings thereof).

"MINORITY HOLDINGS" means partnerships, joint ventures and corporations held or owned by the Borrower or a General Partner which are not wholly-owned by the Borrower or a General Partner.

"MOODY'S" means Moody's Investor Services, Inc.

"MULTIEMPLOYER PLAN" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA which is, or within the immediately preceding six (6) years was, contributed to by either the Borrower or any ERISA Affiliate or in

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respect of which the Borrower or any ERISA Affiliate has assumed any liability.

"NON PRO RATA LOAN" is defined in SECTION 4.2 (b)(v).

"NOTE" means a promissory note in the form attached hereto as EXHIBIT B payable to a Lender, evidencing certain of the Obligations of the Borrower to such Lender and executed by the Borrower as required by SECTION 4.3(a), as the same may be amended, supplemented, modified or restated from time to time; "NOTES" means, collectively, all of such Notes outstanding at any given time.

"NOTICE OF BORROWING" means a notice substantially in the form of EXHIBIT C attached hereto and made a part hereof.

"NOTICE OF CONVERSION/CONTINUATION" means a notice substantially in the form of EXHIBIT D attached hereto and made a part hereof with respect to a proposed conversion or continuation of a Loan pursuant to SECTION 5.1(c).

"OBLIGATIONS" means all Loans, advances, debts, liabilities, obligations, covenants and duties owing by the Borrower to the Administrative Agent, any other Lender, any Affiliate of the Administrative Agent, any other Lender, or any Person entitled to indemnification pursuant to SECTION 15.3 of this Agreement, of any kind or nature, arising under this Agreement, the Notes or any other Loan Document. The term includes, without limitation, all interest, charges, expenses, fees, reasonable attorneys' fees and disbursements and any other sum chargeable to the Borrower under this Agreement or any other Loan Document.

"OFFICER'S CERTIFICATE" means, as to a corporation, a certificate executed on behalf of such corporation by the chairman of its board of directors (if an officer of such corporation) or its chief executive officer, president, any of its vice-presidents, its chief financial officer, or its treasurer and, as to a partnership, a certificate executed on behalf of such partnership by the chairman of the board of directors (if an officer of such corporation) or

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chief executive officer, president, any vice-president, or treasurer of the general partner of such partnership.

"OPERATING LEASE" means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee which is not a Capital Lease.

"ORGANIZATIONAL DOCUMENTS" means, with respect to any corporation, limited liability company, or partnership (i) the articles/certificate of incorporation (or the equivalent organizational documents) of such corporation or limited liability company, (ii) the partnership agreement executed by the partners in the partnership, (iii) the by-laws (or the equivalent governing documents) of the corporation, limited liability company or partnership, and (iv) any document setting forth the designation, amount and/or relative rights, limitations and preferences of any class or series of such corporation's Capital Stock or such limited liability company's or partnership's equity or ownership interests.

"OSHA" means the Occupational Safety and Health Act of 1970, 29 U.S.C. Sections 651 ET SEQ., any amendments thereto, any successor statutes and any regulations or guidance promulgated thereunder.

"PBGC" means the Pension Benefit Guaranty Corporation and any Person succeeding to the functions thereof.

"PERMITS" means any permit, consent, approval, authorization, license, variance, or permission required from any Person, including any Governmental Approvals.

"PERMITTED SECURITIES OPTIONS" means the subscriptions, options, warrants, rights, convertible Securities and other agreements or commitments relating to the issuance of the Borrower's Securities or the Company's Capital Stock identified as such on SCHEDULE 1.1.4.

"PERSON" means any natural person, corporation, limited liability company, limited partnership, general partnership, joint stock company, joint

business trust or other organization, whether or not a legal entity, and any Governmental Authority.

"PLAN" means an employee benefit plan defined in Section 3(3) of ERISA in respect of which the Borrower or any ERISA Affiliate is, or within the immediately preceding six (6) years was, an "employer" as defined in Section 3(5) of ERISA or the Borrower or any ERISA Affiliate has assumed any liability.

"POTENTIAL EVENT OF DEFAULT" means an event that has occurred with respect to the Borrower which, with the giving of notice or the lapse of time, or both, would constitute an Event of Default.

"PREPAYMENT DATE" is defined in SECTION 4.1(d).

"PROCESS AGENT" is defined in SECTION 15.17(a).

"PROJECT" means any shopping center, retail property and mixed-use property owned, directly or indirectly, by any of the Consolidated Businesses or Minority Holdings.

"PROPERTY" means any Real Property or personal property, plant, building, facility, structure, underground storage tank or unit, equipment, general intangible, receivable, or other asset owned, leased or operated by any Consolidated Business or any Minority Holding (including any surface water thereon or adjacent thereto, and soil and groundwater thereunder).

"PRO RATA SHARE" means, with respect to any Lender, the percentage obtained by dividing (i) the sum of such Lender's Commitment (in each case, as adjusted from time to time in accordance with the provisions of this Agreement or any Assignment and Acceptance to which such Lender is a party) by (ii) the aggregate amount of all of the Commitments.

"RCRA" means the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Sections 6901 ET SEQ., any amendments thereto, any successor statutes, and any regulations or guidance promulgated thereunder.

"REAL PROPERTY" means all of the Borrower's present and future right, title and interest (including, without limitation, any leasehold estate) in (i) any plots, pieces or parcels of land, (ii) any Improvements of every nature whatsoever (the rights and interests described in clauses (i) and (ii) above being the "Premises"), (iii) all easements, rights of way, gores of land or any lands occupied by streets, ways, alleys, passages, sewer rights, water courses, water rights and powers, and public places adjoining such land, and any other interests in property constituting appurtenances to the Premises, or which hereafter shall in any way belong, relate or be appurtenant thereto, (iv) all hereditaments, gas, oil, minerals (with the right to extract, sever and remove such gas, oil and minerals), and easements, of every nature whatsoever, located in, on or benefitting the Premises and (v) all other rights and privileges thereunto belonging or appertaining and all extensions, additions, improvements, betterments, renewals, substitutions and replacements to or of any of the rights and interests described in CLAUSES (iii) and (iv) above.

"REFERENCE BANK" means Commerzbank.

"REGISTER" is defined in SECTION 15.1(c).

"REGULATION A" means Regulation A of the Federal Reserve Board as in effect from time to time.

"REGULATION T" means Regulation T of the Federal Reserve Board as in effect from time to time.

"REGULATION U" means Regulation U of the Federal Reserve Board as in effect from time to time.

"REGULATION X" means Regulation X of the Federal Reserve Board as in effect from time to time.

"REIT" means a domestic trust or corporation or association that qualifies as a real estate investment trust under the provisions of Sections 856, et seq. of the Internal Revenue Code.

"RELEASE" means any release, spill, emission, leaking, pumping, pouring, dumping, injection, deposit,

disposal, abandonment, or discarding of barrels, containers or other receptacles, discharge, emptying, escape, dispersal, leaching or migration into the indoor or outdoor environment or into or out of any Property, including the movement of Contaminants through or in the air, soil, surface water, groundwater or Property.

"REMEDIAL ACTION" means actions required to (i) clean up, remove,

treat or in any other way address Contaminants in the indoor or outdoor environment; (ii) prevent the Release or threat of Release or minimize the further Release of Contaminants; or (iii) investigate and determine if a remedial response is needed and to design such a response and post-remedial investigation, monitoring, operation and maintenance and care.

"REPORTABLE EVENT" means any of the events described in Section 4043(b) of ERISA and the regulations promulgated thereunder as in effect from time to time but not including any such event as to which the thirty (30) day notice requirement has been waived by applicable PBGC regulations.

"REQUIREMENTS OF LAW" means, as to any Person, the charter and by-laws or other organizational or governing documents of such Person, and any law, rule or regulation, or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject including, without limitation, the Securities Act, the Securities Exchange Act, Regulations T, U and X, ERISA, the Fair Labor Standards Act, the Worker Adjustment and Retraining Notification Act, Americans with Disabilities Act of 1990, and any certificate of occupancy, zoning ordinance, building, environmental or land use requirement or Permit and Environmental, Health or Safety Requirement of Law.

"REQUISITE LENDERS" means Lenders (without regard to such Lenders' performance of their respective obligations hereunder) whose aggregate ratable shares (stated as a percentage) of the aggregate outstanding principal balance of all Loans are greater than sixty-six and two-thirds percent (66.67%).

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"RETAINED PROPERTIES" shall mean those real properties more particularly described on SCHEDULE 15.23 hereto.

"S&P" means Standard & Poor's Ratings Service.

"SD" means SD Property Group, Inc., an Ohio corporation (formerly known as DeBartolo Realty Corporation).

"SECURED INDEBTEDNESS" means any Indebtedness secured by a Lien.

"SECURITIES" means any stock, shares, voting trust certificates, partnership interests, bonds, debentures, notes or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities", including, without limitation, any "security" as such term is defined in Section 8-102 of the Uniform Commercial Code, or any certificates of interest, shares, or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire any of the foregoing, but shall not include the Notes or any other evidence of the Obligations.

"SECURITIES ACT" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"SECURITIES EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

"SOLVENT", when used with respect to any Person, means that at the time of determination:

(i) the fair saleable value of its assets is in excess of the total amount of its liabilities (including, without limitation, contingent liabilities); and

(ii) the present fair saleable value of its assets is greater than its probable liability on its existing debts as such debts become absolute and matured; and

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(iii) it is then able and expects to be able to pay its debts (including, without limitation, contingent debts and other commitments) as they mature; and

(iv) it has capital sufficient to carry on its business as conducted and as proposed to be conducted.

"SPG" means SPG Properties, Inc., a Maryland corporation.

"SUBSIDIARY" of a Person means any corporation, limited liability company, general or limited partnership, or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned or controlled by such Person, one or more of the other subsidiaries of such Person or any combination thereof.

"SYNDICATION AGENT" means JPMorgan Chase Bank, and each successor Syndication Agent appointed pursuant to the terms of ARTICLE XII of this Agreement.

"TAXES" is defined in SECTION 13.1(a).

"TENANT ALLOWANCE" means a cash allowance paid to a tenant by the landlord pursuant to a Lease.

"TERMINATION DATE" means the earlier to occur of (i) February 28, 2003 (or, if not a Business Day, the next preceding Business Day), PROVIDED, HOWEVER, that the Termination Date may be extended until February 28, 2004 (or, if not a Business Day, the next preceding Business Day) in accordance with the provisions of SECTION 2.5 hereof; and (ii) the date of termination of the Commitments pursuant to the terms of this Agreement.

"TI WORK" means any construction or other "build-out" of tenant leasehold improvements to the space demised to such tenant under Leases (excluding such tenant's furniture, fixtures and equipment) performed pursuant to the terms of such Leases, whether or not such tenant improvement work is performed by or on behalf of the landlord or as part of a Tenant Allowance.

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"TOTAL ADJUSTED OUTSTANDING INDEBTEDNESS" means, for any period, the sum of (i) the amount of Indebtedness of the Consolidated Businesses set forth on the then most recent quarterly financial statements of the Borrower and (ii) the outstanding amount of Minority Holding Indebtedness allocable in accordance with GAAP to any of the Consolidated Businesses as of the time of determination and (iii) the Contingent Obligations of the Consolidated Businesses and, to the extent allocable to the Consolidated Businesses in accordance with GAAP, of the Minority Holdings, exclusive of Contingent Obligations of any Consolidated Business with an Investment Grade Credit Rating.

"TOTAL UNSECURED OUTSTANDING INDEBTEDNESS" means that portion of Total Adjusted Outstanding Indebtedness that is not secured by a Lien.

"UNENCUMBERED COMBINED EBITDA" means that portion of Combined EBITDA which represents revenues earned from the Management Company (up to 5% of Combined EBITDA) or from Real Property that is not subject to or encumbered by Secured Indebtedness and is not subject to any agreements (other than those agreements more particularly described on SCHEDULE 1.1.5), the effect of which would be to restrict, directly or indirectly, the ability of the owner of such Property from granting Liens thereon, calculated on the first day of each fiscal quarter for the four immediately preceding consecutive fiscal quarters.

"UNIFORM COMMERCIAL CODE" means the Uniform Commercial Code as enacted in the State of New York, as it may be amended from time to time.

"UNSECURED DEBT YIELD" is defined in SECTION 10.12(e).

"UNSECURED INTEREST EXPENSE" means the interest expense incurred on the Total Unsecured Outstanding Indebtedness.

1.2. COMPUTATION OF TIME PERIODS. In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to

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but excluding". Periods of days referred to in this Agreement shall be counted in calendar days unless Business Days are expressly prescribed. Any period determined hereunder by reference to a month or months or year or years shall end on the day in the relevant calendar month in the relevant year, if applicable, immediately preceding the date numerically corresponding to the first day of such period, PROVIDED THAT if such period commences on the last day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month during which such period is to end), such period shall, unless otherwise expressly required by the other provisions of this Agreement, end on the last day of the calendar month.

1.3. ACCOUNTING TERMS. Subject to SECTION 15.4, for purposes of this Agreement, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with GAAP.

1.4. OTHER TERMS. All other terms contained in this Agreement shall, unless the context indicates otherwise, have the meanings assigned to such terms by the Uniform Commercial Code to the extent the same are defined therein.

ARTICLE II AMOUNTS AND TERMS OF LOANS

2.1. LOANS.

(a) AVAILABILITY. Subject to the terms and conditions set forth in this Agreement, each Lender hereby severally and not jointly agrees to make loans, in Dollars (each individually, a "Loan" and, collectively, the "LOANS") to the Borrower as of the Initial Funding Date, in an amount not to exceed such Lender's Pro Rata Share of the Commitments. All Loans comprising the same Borrowing under this Agreement shall be made by the Lenders simultaneously and proportionately to their then respective Pro Rata Shares, it being understood that no Lender shall be responsible for any failure by any other Lender to perform its obligation to make a Loan hereunder nor shall the Commitment of any Lender be increased or decreased as a result of any such failure.

Subject to the provisions of this Agreement, the Borrower may repay any outstanding Loan on any day which is a Business Day and any amounts so repaid may not be reborrowed.

(b) NOTICE OF BORROWING. The Borrower shall deliver to the Administrative Agent a Notice of Borrowing, signed by it no later than 12:00 noon (New York time) at least three (3) Business Days in advance of the Initial Funding Date, in the case of a Borrowing of Eurodollar Rate Loans. Such Notice of Borrowing shall specify (i) the proposed Closing Date (which shall be a Business Day), (ii) whether the proposed Borrowing will be of Base Rate Loans or Eurodollar Rate Loans, (iii) in the case of Eurodollar Rate Loans, the requested Eurodollar Interest Period, and (iv) instructions for the disbursement of the proceeds of the proposed Borrowing. The Notice of Borrowing given pursuant to this SECTION 2.1(b) shall be irrevocable.

(c) MAKING OF LOANS. (i) Promptly after receipt of the Notice of Borrowing under SECTION 2.1(b), the Administrative Agent shall notify each Lender by facsimile transmission, or other similar form of transmission, of the proposed Borrowing (which notice to the Lenders, in the case of a Borrowing of Eurodollar Rate Loans, shall be at least three (3) Business Days in advance of the Initial Funding Date). Each Lender shall deposit an amount equal to its Pro Rata Share of the Borrowing requested by the Borrower with the Administrative Agent at its office in New York, New York, in immediately available funds, not later than 12:00 noon (New York time) on the Initial Funding Date. Subject to the fulfillment of the conditions precedent set forth in SECTION 6.1 or SECTION 6.2, as applicable, the Administrative Agent shall make the proceeds of such amounts received by it available to the Borrower at the Administrative Agent's office in New York, New York on the Initial Funding Date (or on the date received if later than the Initial Funding Date) and shall disburse such proceeds in accordance with the Borrower's disbursement instructions set forth in the Notice of Borrowing. The failure of any Lender to deposit the amount described above with the Administrative Agent on the Initial Funding Date shall not relieve any other Lender of its obligations hereunder to make its Loan on the Initial Funding Date. In the event the conditions precedent set forth in SECTION 6.1 or 6.2 are not fulfilled

as of the Initial Funding Date for the Borrowing, the Administrative Agent shall promptly return, by wire transfer of immediately available funds, the amount deposited by each Lender to such Lender.

(ii) Unless the Administrative Agent shall have been notified by any Lender on the Business Day immediately preceding the Initial Funding Date that such Lender does not intend to fund its Loan requested to be made on the Initial Funding Date, the Administrative Agent may assume that such Lender has funded its Loan and is depositing the proceeds thereof with the Administrative Agent on the Initial Funding Date, and the Administrative Agent in its sole discretion may, but shall not be obligated to, disburse a corresponding amount to the Borrower on the Initial Funding Date. If the Loan proceeds corresponding to that amount are advanced to the Borrower by the Administrative Agent but are not in fact deposited with the Administrative Agent by such Lender on or prior to the Initial Funding Date, such Lender agrees to pay, and in addition the Borrower agrees to repay, to the Administrative Agent forthwith on demand such corresponding amount, together with interest thereon, for each day from the date such amount is disbursed to or for the benefit of the Borrower until the date such amount is paid or repaid to the Administrative Agent, at the interest rate applicable to such Borrowing. If such Lender shall pay to the Administrative Agent the corresponding amount, the amount so paid shall constitute such Lender's Loan, and if both such Lender and the Borrower shall pay and repay such corresponding amount, the Administrative Agent shall promptly pay to the Borrower such corresponding amount. This SECTION 2.1(c)(ii) does not relieve any Lender of its obligation to make its Loan on the Funding Date.

2.2. INTENTIONALLY OMITTED.

2.3. USE OF PROCEEDS OF LOANS. The proceeds of the Loans issued for the account of the Borrower hereunder may be used for the purposes of:

(a) acquisition of Projects, portfolios of Projects, or interests in Projects, similar to and consistent with the types of Projects owned and/or operated by the Borrower on the Initial Funding Date;

(b) acquisition of Persons or interests in Persons that own or have direct or indirect interests in Projects or portfolios of Projects similar to and consistent with the types of Projects owned and/or operated by the Borrower on the Initial Funding Date;

(c) renovation of Properties owned and operated by the Borrower;

(d) funding of TI Work and Tenant Allowances;

(e) financing construction related to Properties owned and operated by the Borrower; and

(f) refinancing of existing Indebtedness; each of which purposes described in clauses (a) through (f) above shall be lawful general corporate, partnership and working capital purposes of the Borrower.

2.4. TERMINATION DATE. The Commitments shall terminate, and all outstanding Obligations shall be paid in full, on the Termination Date.

2.5. EXTENSION OPTION.

(a) The Borrower shall have one option (the "EXTENSION OPTION") to extend the maturity of the Commitments for a period of one (1) year. Subject to the conditions set forth in clause (b) below, Borrower may exercise the Extension Option by delivering written notice (the "EXTENSION NOTICE"), together with the payment of the Extension Fee for the account of the Lenders (based on their respective Pro Rata Shares), to the Administrative Agent on or before January 31, 2003 but not before October 31, 2002, stating that Borrower will extend the Termination Date for one (1) year. Borrower's delivery of the Extension Notice shall be irrevocable. In no event shall the Termination Date occur later than February 28, 2004.

(b) The Borrower's right to exercise the Extension Option shall be subject to the following terms and conditions: (i) no Potential Event of Default or Event of Default shall have occurred and be continuing either on the

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date Borrower delivers the Extension Notice to the Administrative Agent or on the date that this Agreement would otherwise have terminated, (ii) the Borrower shall be in full compliance with all covenants and conditions set forth in this Agreement as of the date Borrower delivers the Extension Notice to the Agent and on the date that this Agreement would otherwise have terminated, and (iii) the Borrower shall have paid the Extension Fee to the Administrative Agent for the account of the Lenders (based on their respective Pro Rata Shares).

2.6. MAXIMUM CREDIT FACILITY. Notwithstanding anything in this Agreement to the contrary, in no event shall the aggregate principal Obligations exceed the aggregate Commitments.

2.7. AUTHORIZED AGENTS. On the Closing Date and from time to time thereafter, the Borrower shall deliver to the Administrative Agent an Officer's Certificate setting forth the names of the employees and agents authorized to request Loans and to request a conversion/continuation of any Loan and containing a specimen signature of each such employee or agent. The employees and agents so authorized shall also be authorized to act for the Borrower in respect of all other matters relating to the Loan Documents. The Administrative Agent and the Lenders shall be entitled to rely conclusively on such employee's or agent's authority to request such Loan or such conversion/continuation until the Administrative Agent receive written notice to the contrary. The Administrative Agent shall not have any duty to verify the authenticity of the signature appearing on any written Notice of Borrowing or Notice of Conversion/Continuation or any other document, and, with respect to an oral request for such conversion/continuation, the Administrative Agent shall have no duty to verify the identity of any person representing himself or herself as one of the employees or agents authorized to make such request or otherwise to act on behalf of the Borrower. None of the Administrative Agent or the Lenders shall incur any liability to the Borrower or any other Person in acting upon any telephonic or facsimile notice referred to above which the Administrative Agent believes to have been given by a person duly authorized to act on behalf of the Borrower and the Borrower hereby indemnifies and holds harmless the Administrative Agent and each

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other Lender from any loss or expense the Administrative Agent or the Lenders might incur in acting in good faith as provided in this SECTION 2.7.

ARTICLE III
INTENTIONALLY OMITTED

ARTICLE IV
PAYMENTS AND PREPAYMENTS

4.1. Prepayments.

(a) VOLUNTARY PREPAYMENTS. The Borrower may, at any time and from time to time, prepay the Loans in part or in their entirety, subject to the following limitations. The Borrower shall give at least five (5) Business Days' prior written notice to the Administrative Agent (which the Administrative Agent shall promptly transmit to each Lender) of any prepayment in the entirety to be made prior to the occurrence of an Event of Default, which notice of prepayment shall specify the date (which shall be a Business Day) of prepayment. When notice of prepayment is delivered as provided herein, the outstanding principal amount of the Loans on the prepayment date specified in the notice shall become due and payable on such prepayment date. Each voluntary partial prepayment of the Loans shall be in a minimum amount of \$1,000,000 and in integral multiples of \$1,000,000 in excess of that amount. Eurodollar Rate Loans may be prepaid in part or in their entirety only upon payment of the amounts described in SECTION 5.2(f). Any amount so prepaid pursuant to this SECTION 4.1(a) may not be reborrowed.

(b) INTENTIONALLY OMITTED.

(c) NO PENALTY. The prepayments and payments in respect of reductions described in clause (a) of this SECTION 4.1 may be made without premium or penalty (except as provided in SECTION 5.2(f)).

(d) MANDATORY PREPAYMENT. If at any time from and after the Closing Date: (i) the Borrower merges or

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consolidates with another Person and the Borrower is not the surviving entity, or (ii) the Borrower or any Consolidated Business sells, transfers, assigns or conveys assets, the book value of which (computed in accordance with GAAP but without deduction for depreciation), in the aggregate of all such sales, transfers, assignments, foreclosures, or conveyances exceeds 30% of the Capitalization Value, or (iii) the portion of Capitalization Value attributable to the aggregate Limited Minority Holdings (but excluding the Borrower's interest in Pentagon Fashion Center) of the Borrower and its Consolidated Businesses exceed 20% of Capitalization Value, or (iv) the Borrower or the Management Company ceases to provide directly or through their Affiliates property management and leasing services to at least 33% of the total number of shopping centers in which the Borrower has an ownership interest (the date any such event shall occur being the "PREPAYMENT DATE"), the Borrower shall be required to prepay the Loans in their entirety as if the Prepayment Date were the Termination Date. The Borrower shall immediately make such prepayment together with interest accrued to the date of the prepayment on the principal amount prepaid. In connection with the prepayment of any Loan prior to the maturity thereof, the Borrower shall also pay any applicable expenses pursuant to SECTION 5.2(f). Each such prepayment shall be applied to prepay ratably the Loans of the Lenders. Amounts prepaid pursuant to this SECTION 4.1(d) may not be reborrowed. As used in this SECTION 4.1(d) only, the phrase "sells, transfers, assigns or conveys" shall not include (i) sales or conveyances among Borrower and any Consolidated Businesses, or (ii) mortgages secured by Real Property.

4.2. PAYMENTS.

(a) MANNER AND TIME OF PAYMENT. All payments of principal of and interest on the Loans and other Obligations (including, without limitation, fees and expenses) which are payable to the Administrative Agent or any other Lender shall be made without condition or reservation of right, in immediately available funds, delivered to the Administrative Agent not later than 12:00 noon (New York time) on the date and at the place due, to such account of the Administrative Agent as it may designate, for the account of the Administrative Agent or such other Lender, as the case may be; and funds received by the Administrative Agent, not later than

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12:00 noon (New York time) on any given Business Day shall be credited against payment to be made that day and funds received by the Administrative Agent after that time shall be deemed to have been paid on the next succeeding Business Day. Payments actually received by the Administrative Agent for the account of the Lenders, or any of them, shall be paid to them by the Administrative Agent promptly after receipt thereof, in immediately available funds, and in any event, on the same Business Day as received, if received by 12:00 noon (New York time), on or before the immediately succeeding Business Day, if received after 12:00 noon (New York time).

(b) APPORTIONMENT OF PAYMENTS. (i) Subject to the provisions of SECTION 4.2(b)(v), all payments of principal and interest in respect of outstanding Loans, all payments of fees and all other payments in respect of any other Obligations, shall be allocated among such of the Lenders as are entitled thereto, in proportion to their respective Pro Rata Shares or otherwise as provided herein. Subject to the provisions of SECTION 4.2(b)(ii), all such payments and any other amounts received by the Administrative Agent from or for the benefit of the Borrower shall be applied in the following order:

(A) to pay principal of and interest on any portion of the Loans which the Administrative Agent may have advanced on behalf of any Lender other than itself for which the Administrative Agent has not then been reimbursed by such Lender or the Borrower,

(B) to pay all other Obligations then due and payable and

(C) as the Borrower so designates.

Unless otherwise designated by the Borrower, all principal payments in respect of Loans shall be applied FIRST, to repay outstanding Base Rate Loans, and then to repay outstanding Eurodollar Rate Loans, with those Eurodollar Rate Loans which have earlier expiring Interest Periods being repaid prior to those which have later expiring Interest Periods.

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(ii) After the occurrence of an Event of Default and while the same is continuing, the Administrative Agent shall apply all payments in respect of any Obligations in the following order:

(A) first, to pay principal of and interest on any portion of the Loans which the Administrative Agent may have advanced on behalf of any

Lender other than itself for which the Administrative Agent has not then been reimbursed by such Lender or the Borrower;

(B) second, to pay Obligations in respect of any fees, expense reimbursements or indemnities then due to the Administrative Agent;

(C) third, to pay Obligations in respect of any fees, expense reimbursements or indemnities then due to the Lenders;

(D) fourth, to pay interest due in respect of Loans;

(E) fifth, to the ratable payment or prepayment of principal outstanding on Loans; and

(F) sixth, to the ratable payment of all other Obligations.

The order of priority set forth in this SECTION 4.2(b)(ii) and the related provisions of this Agreement are set forth solely to determine the rights and priorities of the Administrative Agent, the other Lenders and other Holders as among themselves. The order of priority set forth in clauses (C) through (G) of this SECTION 4.2(b)(ii) may at any time and from time to time be changed by the Requisite Lenders without necessity of notice to or consent of or approval by the Borrower, any Holder which is not a Lender, or any other Person. The order of priority set forth in clauses (A) and (B) of this SECTION 4.2(b)(ii) may be changed only with the prior written consent of the Administrative Agent.

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(iii) Subject to SECTION 4.2(b)(v), the Administrative Agent shall promptly distribute to each other Lender at its primary address set forth on the appropriate signature page hereof or the signature page to the Assignment and Acceptance by which it became a Lender, or at such other address as a Lender or other Holder may request in writing, such funds as such Person may be entitled to receive, subject to the provisions of ARTICLE XII; PROVIDED that the Administrative Agent shall under no circumstances be bound to inquire into or determine the validity, scope or priority of any interest or entitlement of any Holder and may suspend all payments or seek appropriate relief (including, without limitation, instructions from the Requisite Lenders or an action in the nature of interpleader) in the event of any doubt or dispute as to any apportionment or distribution contemplated hereby.

(iv) In the event that any Lender fails to fund its Pro Rata Share of any Loan requested by the Borrower which such Lender is obligated to fund under the terms of this Agreement (the funded portion of such Loan being hereinafter referred to as a "NON PRO RATA LOAN"), until the earlier of such Lender's cure of such failure and the termination of the Commitments, the proceeds of all amounts thereafter repaid to the Administrative Agent by the Borrower and otherwise required to be applied to such Lender's share of all other Obligations pursuant to the terms of this Agreement shall be advanced to the Borrower by the Administrative Agent on behalf of such Lender to cure, in full or in part, such failure by such Lender, but shall nevertheless be deemed to have been paid to such Lender in satisfaction of such other Obligations. Notwithstanding anything in this Agreement to the contrary:

(A) the foregoing provisions of this SECTION 4.2(b)(v) shall apply only with respect to the proceeds of payments of Obligations and shall not affect the conversion or continuation of Loans pursuant to SECTION 5.1(c);

(B) a Lender shall be deemed to have cured its failure to fund its Pro Rata Share of any Loan at such time as an amount equal to such Lender's original Pro Rata Share of the requested principal

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portion of such Loan is fully funded to the Borrower, whether made by such Lender itself or by operation of the terms of this SECTION 4.2(b)(v), and whether or not the Non Pro Rata Loan with respect thereto has been repaid, converted or continued;

(C) amounts advanced to the Borrower to cure, in full or in part, any such Lender's failure to fund its Pro Rata Share of any Loan ("CURE LOANS") shall bear interest at the Base Rate in effect from time to time, and for all other purposes of this Agreement shall be treated as if they were Base Rate Loans; and

(D) regardless of whether or not an Event of Default has occurred or is continuing, and notwithstanding the instructions of the Borrower as to its desired application, all repayments of principal which, in accordance with the other terms of this SECTION 4.2, would be applied to the outstanding Base Rate Loans shall be applied FIRST, ratably to all Base Rate Loans constituting Non Pro Rata Loans, SECOND, ratably to Base Rate Loans other than those constituting Non Pro Rata Loans or Cure Loans and, THIRD, ratably to Base Rate Loans constituting Cure Loans.

(c) PAYMENTS ON NON-BUSINESS DAYS. Whenever any payment to be made by the Borrower hereunder or under the Notes is stated to be due on a day which is not a Business Day, the payment shall instead be due on the next succeeding Business Day (or, as set forth in SECTION 5.2(b)(iii), the next preceding Business Day).

4.3. PROMISE TO REPAY; EVIDENCE OF INDEBTEDNESS.

(a) PROMISE TO REPAY. The Borrower hereby agrees to pay when due the principal amount of each Loan which is made to it, and further agrees to pay all unpaid interest accrued thereon, in accordance with the terms of this Agreement and the Notes. The Borrower shall execute and deliver to each Lender on the Closing Date, a promissory note, in form and substance acceptable to the Administrative Agent

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and such Lender, evidencing the Loans and thereafter shall execute and deliver such other promissory notes as are necessary to evidence the Loans owing to the Lenders after giving effect to any assignment thereof pursuant to SECTION 15.1, all in form and substance acceptable to the Administrative Agent and the parties to such assignment (all such promissory notes and all amendments thereto, replacements thereof and substitutions therefor being collectively referred to as the "NOTES"; and "NOTE" means any one of the Notes).

(b) LOAN ACCOUNT. Each Lender shall maintain in accordance with its usual practice an account or accounts (a "LOAN ACCOUNT") evidencing the Indebtedness of the Borrower to such Lender resulting from each Loan owing to such Lender from time to time, including the amount of principal and interest payable and paid to such Lender from time to time hereunder and under the Notes. Notwithstanding the foregoing, the failure by any Lender to maintain a Loan Account shall in no way affect the Borrower's obligations hereunder, including, without limitation, the obligation to repay the Obligations.

(c) CONTROL ACCOUNT. The Register maintained by the Administrative Agent pursuant to SECTION 15.1(c) shall include a control account, and a subsidiary account for each Lender, in which accounts (taken together) shall be recorded (i) the date and amount of each Borrowing made hereunder, the type of Loan comprising such Borrowing and any Eurodollar Interest Period applicable thereto, (ii) the effective date and amount of each Assignment and Acceptance delivered to and accepted by it and the parties thereto, (iii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder or under the Notes and (iv) the amount of any sum received by the Administrative Agent from the Borrower hereunder and each Lender's share thereof.

(d) ENTRIES BINDING. The entries made in the Register and each Loan Account shall be conclusive and binding for all purposes, absent manifest error.

(e) NO RECOURSE TO LIMITED PARTNERS OR GENERAL PARTNERS. Notwithstanding anything contained in this

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Agreement to the contrary, it is expressly understood and agreed that nothing herein or in the Notes shall be construed as creating any liability on any Limited Partner, any General Partner, or any partner, officer, shareholder or director of any Limited Partner or any General Partner, to pay any of the Obligations other than liability arising from or in connection with (i) fraud or (ii) the misappropriation or misapplication of proceeds of the Loans; but nothing contained in this SECTION 4.3(e) shall be construed to prevent the exercise of any remedy allowed to the Administrative Agent or the Lenders by law or by the terms of this Agreement or the other Loan Documents which does not relate to or result in such an obligation by any Limited Partner or any General Partner (or any partner, officer, shareholder or director of any Limited Partner or any General Partner) to pay money.

ARTICLE V INTEREST AND FEES

5.1. INTEREST ON THE LOANS AND OTHER OBLIGATIONS.

(a) RATE OF INTEREST. All Loans and the outstanding principal balance of all other Obligations shall bear interest on the unpaid principal amount thereof from the date such Loans are made and such other Obligations are due and payable until paid in full, except as otherwise provided in SECTION 5.1(d), as follows:

(i) If a Base Rate Loan or such other Obligation, at a rate per annum equal to the sum of (A) the Base Rate, as in effect from time to time as interest accrues, PLUS (B) the then Applicable Margin for Base Rate Loans; and

(ii) If a Eurodollar Rate Loan, at a rate per annum equal to the sum of (A) the Eurodollar Rate determined for the applicable Eurodollar Interest Period, plus (B) the then Applicable Margin for Eurodollar Rate Loans.

The applicable basis for determining the rate of interest on the Loans shall be selected by the Borrower at the time the

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Notice of Borrowing or a Notice of Conversion/Continuation is delivered by the Borrower to the Administrative Agent; provided, however, the Borrower may not select the Eurodollar Rate as the applicable basis for determining the rate of interest on such a Loan if at the time of such selection an Event of Default or

a Potential Event of Default would occur or has occurred and is continuing and FURTHER PROVIDED THAT, from and after the occurrence of an Event of Default or a Potential Event of Default, each Eurodollar Rate Loan then outstanding may, at the Administrative Agent's option, convert to a Base Rate Loan. If on any day any Loan is outstanding with respect to which notice has not been timely delivered to the Administrative Agent in accordance with the terms of this Agreement specifying the basis for determining the rate of interest on that day, then for that day interest on that Loan shall be determined by reference to the Base Rate.

(b) INTEREST PAYMENTS. (i) Interest accrued on each Loan shall be calculated on the last day of each calendar month and shall be payable in arrears (A) on the first day of each calendar month, commencing on the first such day following the making of such Loan, and (B) if not theretofore paid in full, at maturity (whether by acceleration or otherwise) of such Loan.

(ii) Interest accrued on the principal balance of all other Obligations shall be calculated on the last day of each calendar month and shall be payable in arrears (A) on the first day of each calendar month, commencing on the first such day following the incurrence of such Obligation, (B) upon repayment thereof in full or in part, and (C) if not theretofore paid in full, at the time such other Obligation becomes due and payable (whether by acceleration or otherwise).

(c) CONVERSION OR CONTINUATION. (i) The Borrower shall have the option (A) to convert at any time all or any part of outstanding Base Rate Loans to Eurodollar Rate Loans; (B) to convert all or any part of outstanding Eurodollar Rate Loans having Eurodollar Interest Periods which expire on the same date to Base Rate Loans on such expiration date; (C) to continue all or any part of out-standing Eurodollar Rate Loans having Eurodollar Interest

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Periods which expire on the same date as Eurodollar Rate Loans, and the succeeding Eurodollar Interest Period of such continued Loans shall commence on such expiration date; provided, HOWEVER, no such outstanding Loan may be continued as, or be converted into, a Eurodollar Rate Loan (i) if the continuation of, or the conversion into, would violate any of the provisions of SECTION 5.2 or (ii) if an Event of Default or a Potential Event of Default would occur or has occurred and is continuing. Any conversion into or continuation of Eurodollar Rate Loans under this SECTION 5.1(c) shall be in a minimum amount of \$1,000,000 and in integral multiples of \$100,000 in excess of that amount, except in the case of a conversion into or a continuation of an entire Borrowing of Non Pro Rata Loans.

(ii) To convert or continue a Loan under SECTION 5.1(c)(i), the Borrower shall deliver a Notice of Conversion/ Continuation to the Administrative Agent no later than 11:00 a.m. (New York time) at least three (3) Business Days in advance of the proposed conversion/continuation date. A Notice of Conversion/Continuation shall specify (A) the proposed conversion/continuation date (which shall be a Business Day), (B) the principal amount of the Loan to be converted/continued, (C) whether such Loan shall be converted and/or continued, and (D) in the case of a conversion to, or continuation of, a Eurodollar Rate Loan, the requested Eurodollar Interest Period. In lieu of delivering a Notice of Conversion/Continuation, the Borrower may give the Administrative Agent telephonic notice of any proposed conversion/continuation by the time required under this SECTION 5.1(c)(ii), if the Borrower confirms such notice by delivery of the Notice of Conversion/Continuation to the Administrative Agent by facsimile transmission promptly, but in no event later than 3:00 p.m. (New York time) on the same day. Promptly after receipt of a Notice of Conversion/ Continuation under this SECTION 5.1(c)(ii) (or telephonic notice in lieu thereof), the Administrative Agent shall notify each Lender by facsimile transmission, or other similar form of transmission, of the proposed conversion/ continuation. Any Notice of Conversion/Continuation for conversion to, or continuation of, a Loan (or telephonic notice in lieu thereof) given pursuant to this SECTION 5.1(c)(ii) shall be irrevocable, and the Borrower shall be bound to convert or continue in accordance therewith. In

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the event no Notice of Conversion/Continuation is delivered as and when specified in this SECTION 5.1(c)(ii) with respect to outstanding Eurodollar Rate Loans, upon the expiration of the Interest Period applicable thereto, such Loans shall automatically be continued as Eurodollar Rate Loans with a Eurodollar Interest Period of thirty (30) days; PROVIDED, HOWEVER, no such outstanding Loan may be continued as, or be converted into, a Eurodollar Rate Loan (i) if the continuation of, or the conversion into, would violate any of the provisions of SECTION 5.2 or (ii) if an Event of Default or a Potential Event of Default would occur or has occurred and is continuing.

(d) DEFAULT INTEREST. Notwithstanding the rates of interest specified in SECTION 5.1(a) or elsewhere in this Agreement, effective immediately upon the occurrence of an Event of Default, and for as long thereafter as such Event of Default shall be continuing, the principal balance of all Loans and other Obligations shall bear interest at a rate equal to the sum of (A) the Base Rate, as in effect from time to time as interest accrues, PLUS (B) four percent (4.0%) per annum.

(e) COMPUTATION OF INTEREST. Interest on all Obligations shall be computed on the basis of the actual number of days elapsed in the period during

which interest accrues and a year of 360 days. In computing interest on any Loan, the date of the making of the Loan or the first day of a Eurodollar Interest Period, as the case may be, shall be included and the date of payment or the expiration date of a Eurodollar Interest Period, as the case may be, shall be excluded; PROVIDED, HOWEVER, if a Loan is repaid on the same day on which it is made, one (1) day's interest shall be paid on such Loan.

(f) EURODOLLAR RATE INFORMATION. Upon the reasonable request of the Borrower from time to time, the Administrative Agent shall promptly provide to the Borrower such information with respect to the applicable Eurodollar Rate as may be so requested.

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5.2. SPECIAL PROVISIONS GOVERNING EURODOLLAR RATE LOANS.

(a) AMOUNT OF EURODOLLAR RATE LOANS. Each Euro-dollar Rate Loan shall be in a minimum principal amount of \$1,500,000 and in integral multiples of \$100,000 in excess of that amount.

(b) DETERMINATION OF EURODOLLAR INTEREST PERIOD. By giving notice as set forth in SECTION 2.1(b) (with respect to a Borrowing of Eurodollar Rate Loans), or SECTION 5.1(c) (with respect to a conversion into or continuation of Eurodollar Rate Loans), the Borrower shall have the option, subject to the other provisions of this SECTION 5.2, to select an interest period (each, an "INTEREST PERIOD") to apply to the Loans described in such notice, subject to the following provisions:

(i) The Borrower may only select, as to a particular Borrowing of Eurodollar Rate Loans, an Interest Period (each, a "EURODOLLAR INTEREST PERIOD") of one, two, three or six months in duration or, with the prior written consent of the Administrative Agent, a shorter or a longer duration

(ii) In the case of immediately successive Eurodollar Interest Periods applicable to a Borrowing of Eurodollar Rate Loans, each successive Eurodollar Interest Period shall commence on the day on which the next preceding Eurodollar Interest Period expires;

(iii) If any Eurodollar Interest Period would otherwise expire on a day which is not a Business Day, such Eurodollar Interest Period shall be extended to expire on the next succeeding Business Day if the next succeeding Business Day occurs in the same calendar month, and if there will be no succeeding Business Day in such calendar month, the Eurodollar Interest Period shall expire on the immediately preceding Business Day;

(iv) The Borrower may not select an Interest Period as to any Loan if such Interest Period terminates later than the Termination Date;

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(v) The Borrower may not select an Interest Period with respect to any portion of principal of a Loan which extends beyond a date on which the Borrower is required to make a scheduled payment of such portion of principal; and

(vi) There shall be no more than five (5) Interest Periods in effect at any one time with respect to Eurodollar Rate Loans.

(c) DETERMINATION OF EURODOLLAR INTEREST RATE. As soon as practicable on the second Business Day prior to the first day of each Eurodollar Interest Period (the "EURO-DOLLAR INTEREST RATE DETERMINATION DATE"), the Administrative Agent shall determine (pursuant to the procedures set forth in the definition of "Eurodollar Rate") the interest rate which shall apply to the Eurodollar Rate Loans for which an interest rate is then being determined for the applicable Eurodollar Interest Period and shall promptly give notice thereof (in writing or by telephone confirmed in writing) to the Borrower and to each Lender. The Administrative Agent's determination shall be presumed to be correct, absent manifest error, and shall be binding upon the Borrower.

(d) INTEREST RATE UNASCERTAINABLE, INADEQUATE OR UNFAIR. In the event that at least one (1) Business Day before a Eurodollar Interest Rate Determination Date:

(i) the Administrative Agent is advised by the Reference Bank that deposits in Dollars (in the applicable amounts) are not being offered by the Reference Bank in the London interbank market for such Eurodollar Interest Period; or

(ii) the Administrative Agent determines that adequate and fair means do not exist for ascertaining the applicable interest rates by reference to which the Eurodollar Rate then being determined is to be fixed; or

(iii) the Requisite Lenders advise the Administrative Agent that the Eurodollar Rate for Eurodollar Rate Loans comprising such Borrowing

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will not adequately reflect the cost to such Requisite Lenders of obtaining funds in Dollars in the London interbank market in the amount

substantially equal to such Lenders' Eurodollar Rate Loans in Dollars and for a period equal to such Eurodollar Interest Period;

then the Administrative Agent shall forthwith give notice thereof to the Borrower, whereupon (until the Administrative Agent notifies the Borrower that the circumstances giving rise to such suspension no longer exist) the right of the Borrower to elect to have Loans bear interest based upon the Eurodollar Rate shall be suspended and each outstanding Eurodollar Rate Loan shall be converted into a Base Rate Loan on the last day of the then current Interest Period therefor, notwithstanding any prior election by the Borrower to the contrary.

(e) ILLEGALITY. (i) If at any time any Lender determines (which determination shall, absent manifest error, be final and conclusive and binding upon all parties) that the making or continuation of any Eurodollar Rate Loan has become unlawful or impermissible by compliance by that Lender with any law, governmental rule, regulation or order of any Governmental Authority (whether or not having the force of law and whether or not failure to comply therewith would be unlawful or would result in costs or penalties), then, and in any such event, such Lender may give notice of that determination, in writing, to the Borrower and the Administrative Agent, and the Administrative Agent shall promptly transmit the notice to each other Lender.

(ii) When notice is given by a Lender under SECTION 5.2(e)(i), (A) the Borrower's right to request from such Lender and such Lender's obligation, if any, to make Eurodollar Rate Loans shall be immediately suspended, and such Lender shall make a Base Rate Loan as part of any requested Borrowing of Eurodollar Rate Loans and (B) if the affected Eurodollar Rate Loans are then outstanding, the Borrower shall immediately, or if permitted by applicable law, no later than the date permitted thereby, upon at least one (1) Business Day's prior written notice to the Administrative Agent and the affected Lender, convert each such Loan into a Base Rate Loan.

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(iii) If at any time after a Lender gives notice under SECTION 5.2(e)(i) such Lender determines that it may lawfully make Eurodollar Rate Loans, such Lender shall promptly give notice of that determination, in writing, to the Borrower and the Administrative Agent, and the Administrative Agent shall promptly transmit the notice to each other Lender. The Borrower's right to request, and such Lender's obligation, if any, to make Eurodollar Rate Loans shall thereupon be restored.

(f) COMPENSATION. In addition to all amounts required to be paid by the Borrower pursuant to SECTION 5.1 and ARTICLE XIII, the Borrower shall compensate each Lender, upon demand, for all losses, expenses and liabilities (including, without limitation, any loss or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund or maintain such Lender's Eurodollar Rate Loans to the Borrower but excluding any loss of Applicable Margin on the relevant Loans) which that Lender may sustain (i) if for any reason a Borrowing, conversion into or continuation of Eurodollar Rate Loans does not occur on a date specified therefor in a Notice of Borrowing or a Notice of Conversion/Continuation given by the Borrower or in a telephonic request by it for borrowing or conversion/ continuation or a successive Eurodollar Interest Period does not commence after notice therefor is given pursuant to SECTION 5.1(c), including, without limitation, pursuant to SECTION 5.2(d), (ii) if for any reason any Eurodollar Rate Loan is prepaid (including, without limitation, mandatorily pursuant to SECTION 4.1(d)) on a date which is not the last day of the applicable Interest Period, (iii) as a consequence of a required conversion of a Euro-dollar Rate Loan to a Base Rate Loan as a result of any of the events indicated in SECTION 5.2(d), or (iv) as a consequence of any failure by the Borrower to repay a Eurodollar Rate Loan when required by the terms of this Agreement. The Lender making demand for such compensation shall deliver to the Borrower concurrently with such demand a written statement in reasonable detail as to such losses, expenses and liabilities, and this statement shall be conclusive as to the amount of compensation due to that Lender, absent manifest error.

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(g) BOOKING OF EURODOLLAR RATE LOANS. Any Lender may make, carry or transfer Eurodollar Rate Loans at, to, or for the account of, its Eurodollar Lending Office or Euro-dollar Affiliate or its other offices or Affiliates. No Lender shall be entitled, however, to receive any greater amount under SECTIONS 4.2 or 5.2(f) or ARTICLE XIII as a result of the transfer of any such Eurodollar Rate Loan to any office (other than such Eurodollar Lending Office) or any Affiliate (other than such Eurodollar Affiliate) than such Lender would have been entitled to receive immediately prior thereto, unless (i) the transfer occurred at a time when circumstances giving rise to the claim for such greater amount did not exist and (ii) such claim would have arisen even if such transfer had not occurred.

(h) AFFILIATES NOT OBLIGATED. No Eurodollar Affiliate or other Affiliate of any Lender shall be deemed a party to this Agreement or shall have any liability or obligation under this Agreement.

(i) ADJUSTED EURODOLLAR RATE. Any failure by any Lender to take into account the Eurodollar Reserve Percentage when calculating interest due on Eurodollar Rate Loans shall not constitute, whether by course of dealing or otherwise, a waiver by such Lender of its right to collect such amount for any future period.

5.3. FEES.

(a) FACILITY FEE. The Borrower shall pay to the Administrative Agent, for the account of the Lenders based on their respective Pro Rata Shares, a fee (the "FACILITY FEE"), accruing at a per annum rate equal to the then applicable Facility Fee Percentage on the aggregate Commitments, such fee being payable quarterly, in arrears, commencing on the first day of the fiscal quarter next succeeding the Closing Date and on the first day of each fiscal quarter thereafter. Notwithstanding the foregoing, in the event that any Lender fails to fund its Pro Rata Share of any Loan requested by the Borrower which such Lender is obligated to fund under the terms of this Agreement, (A) such Lender shall not be entitled to any portion of the Facility Fee with respect to its Commitment until such failure has been cured in accordance with SECTION 4.2(b)(iv)(b) and (B) until

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such time, the Facility Fee shall accrue in favor of the Lenders which have funded their respective Pro Rata Shares of such requested Loan, shall be allocated among such performing Lenders ratably based upon their relative Commitments, and shall be calculated based upon the average amount by which the aggregate Commitments of such performing Lenders exceeds the outstanding principal amount of the Loans owing to such performing Lenders.

(b) CALCULATION AND PAYMENT OF FEES. All fees shall be calculated on the basis of the actual number of days elapsed in a 360-day year. All fees shall be payable in addition to, and not in lieu of, interest, compensation, expense reimbursements, indemnification and other Obligations. Fees shall be payable to the Administrative Agent at its office in New York, New York in immediately available funds. All fees shall be fully earned and nonrefundable when paid. All fees due to any other Lender, including, without limitation, those referred to in this SECTION 5.3, shall bear interest, if not paid when due, at the interest rate specified in Section 5.1(d) and shall constitute Obligations.

ARTICLE VI CONDITIONS TO LOANS

6.1. CONDITIONS PRECEDENT TO THE LOANS. The obligation of each Lender on the Initial Funding Date to make any Loan requested to be made by it shall be subject to the satisfaction of all of the following conditions precedent:

(a) DOCUMENTS. The Administrative Agent shall have received on or before the Initial Funding Date all of the following:

(i) this Agreement, the Notes, and, to the extent not otherwise specifically referenced in this SECTION 6.1(a), all other Loan Documents and agreements, documents and instruments described in the List of Closing Documents attached hereto as EXHIBIT E and made a part hereof, each duly executed and in recordable form, where appropriate,

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and in form and substance satisfactory to the Administrative Agent; without limiting the foregoing, the Borrower hereby directs its legal counsel to prepare and deliver to the Agents, the Lenders, and Skadden, Arps, Slate, Meagher & Flom LLP the legal opinions referred to in such List of Closing Documents; and

(ii) such additional documentation as the Administrative Agent may reasonably request.

(b) NO LEGAL IMPEDIMENTS. No law, regulation, order, judgment or decree of any Governmental Authority shall, and the Administrative Agent shall not have received any notice that litigation is pending or threatened which is likely to (i) enjoin, prohibit or restrain the making of the Loans on the Initial Funding Date or (ii) impose or result in the imposition of a Material Adverse Effect.

(c) NO CHANGE IN CONDITION. No change in the business, assets, management, operations, financial condition or prospects of the Borrower or any of its Properties shall have occurred since September 30, 2001, which change, in the judgment of the Administrative Agent, will have or is reasonably likely to have a Material Adverse Effect.

(d) INTERIM LIABILITIES AND EQUITY. Except as disclosed to the Lenders, since September 30, 2001, neither the Borrower nor the Company shall have (i) entered into any material (as determined in good faith by the Administrative Agent) commitment or transaction, including, without limitation, transactions for borrowings and capital expenditures, which are not in the ordinary course of the Borrower's business, (ii) declared or paid any dividends or other distributions other than in the ordinary course of business, (iii) established compensation or employee benefit plans, or (iv) redeemed or issued any equity Securities.

(e) NO LOSS OF MATERIAL AGREEMENTS AND LICENSES. Since September 30, 2001, no agreement or license relating to the business, operations or employee relations of the Borrower or any of its Properties shall have been terminated, modified, revoked, breached or declared to be in default, the termination, modification, revocation, breach

or default under which, in the reasonable judgment of the Administrative Agent, would result in a Material Adverse Effect.

(f) NO MARKET CHANGES. Since September 30, 2001, no material adverse change shall have occurred in the conditions in the capital markets or the market for loan syndications generally.

(g) NO DEFAULT. No Event of Default or Potential Event of Default shall have occurred and be continuing or would result from the making of the Loans.

(h) REPRESENTATIONS AND WARRANTIES. All of the representations and warranties contained in SECTION 7.1 and in any of the other Loan Documents shall be true and correct in all material respects on and as of the Initial Funding Date.

(i) FEES AND EXPENSES PAID. There shall have been paid to the Administrative Agent, for the accounts of the Agents and the other Lenders, as applicable, all fees due and payable on or before the Initial Funding Date and all expenses due and payable on or before the Initial Funding Date, including, without limitation, reasonable attorneys' fees and expenses, and other costs and expenses incurred in connection with the Loan Documents.

ARTICLE VII REPRESENTATIONS AND WARRANTIES

7.1. REPRESENTATIONS AND WARRANTIES OF THE BORROWER. In order to induce the Lenders to enter into this Agreement and to make the Loans and the other financial accommodations to the Borrower described herein, the Borrower hereby represents and warrants to each Lender that the following statements are true, correct and complete:

(a) ORGANIZATION; POWERS. (i) The Borrower (A) is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Delaware, (B) is duly qualified to do business and is in good standing under the laws of each jurisdiction in which

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failure to be so qualified and in good standing will have or is reasonably likely to have a Material Adverse Effect, (C) has filed and maintained effective (unless exempt from the requirements for filing) a current Business Activity Report with the appropriate Governmental Authority in each state in which failure to do so would have a Material Adverse Effect, (D) has all requisite power and authority to own, operate and encumber its Property and to conduct its business as presently conducted and as proposed to be conducted in connection with and following the consummation of the transactions contemplated by this Agreement and (E) is a partnership for federal income tax purposes.

(ii) The Company (A) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, (B) is duly authorized and qualified to do business and is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing will have or is reasonably likely to have a Material Adverse Effect, and (C) has all requisite corporate power and authority to own, operate and encumber its Property and to conduct its business as presently conducted.

(iii) SD (A) is a corporation duly organized, validly existing and in good standing under the laws of the State of Ohio, (B) is duly authorized and qualified to do business and is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing will have or is reasonably likely to have a Material Adverse Effect, and (C) has all requisite corporate power and authority to own, operate and encumber its Property and to conduct its business as presently conducted.

(iv) SPG (A) is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland, (B) is duly authorized and qualified to do business and is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing will have or is reasonably likely to have a Material Adverse Effect, and (C) has all requisite corporate power and authority to own, operate and encumber its Property and to conduct its business as presently conducted.

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(v) True, correct and complete copies of the Organizational Documents identified on SCHEDULE 7.1-A have been delivered to the Administrative Agent, each of which is in full force and effect, has not been modified or amended except to the extent set forth indicated therein and, to the best of the Borrower's knowledge, there are no defaults under such Organizational Documents and no events which, with the passage of time or giving of notice or both, would constitute a default under such Organizational Documents.

(vi) Neither the Borrower, the Company nor any of their Affiliates are "foreign persons" within the meaning of Section 1445 of the Internal Revenue Code.

(b) AUTHORITY. (i) Each General Partner has the requisite power and

authority to execute, deliver and perform this Agreement on behalf of the Borrower and each of the other Loan Documents which are required to be executed on behalf of the Borrower as required by this Agreement. Each General Partner is the Person who has executed this Agreement and such other Loan Documents on behalf of the Borrower and are the sole general partners of the Borrower.

(ii) The execution, delivery and performance of each of the Loan Documents which must be executed in connection with this Agreement by the Borrower and to which the Borrower is a party and the consummation of the transactions contemplated thereby are within the Borrower's partnership powers, have been duly authorized by all necessary partnership action (and, in the case of the General Partners acting on behalf of the Borrower in connection therewith, all necessary corporate action of such General Partner) and such authorization has not been rescinded. No other partnership or corporate action or proceedings on the part of the Borrower or any General Partner is necessary to consummate such transactions.

(iii) Each of the Loan Documents to which the Borrower is a party has been duly executed and delivered on behalf of the Borrower and constitutes the Borrower's legal, valid and binding obligation, enforceable against the Borrower in accordance with its terms, is in full force and effect and all the terms, provisions, agreements and conditions set forth therein and required to be performed or

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complied with by the Company, the Borrower and the Borrower Subsidiaries on or before the Initial Funding Date have been performed or complied with, and no Potential Event of Default, Event of Default or breach of any covenant by any of the Company, the Borrower or any Subsidiary of the Borrower exists thereunder.

(c) SUBSIDIARIES; OWNERSHIP OF CAPITAL STOCK AND PARTNERSHIP INTERESTS. (i) SCHEDULE 7.1-C (A) contains a diagram indicating the corporate structure of the Company, the Borrower, and any other Person in which the Company or the Borrower holds a direct or indirect partnership, joint venture or other equity interest indicating the nature of such interest with respect to each Person included in such diagram; and (B) accurately sets forth (1) the correct legal name of such Person, the jurisdiction of its incorporation or organization and the jurisdictions in which it is qualified to transact business as a foreign corporation, or otherwise, and (2) the authorized, issued and outstanding shares or interests of each class of Securities of the Company, the Borrower and the Subsidiaries of the Borrower and the owners of such shares or interests. None of such issued and outstanding Securities is subject to any vesting, redemption, or repurchase agreement, and there are no warrants or options (other than Permitted Securities Options) outstanding with respect to such Securities, except as noted on SCHEDULE 7.1-C. The outstanding Capital Stock of the Company is duly authorized, validly issued, fully paid and nonassessable and the outstanding Securities of the Borrower and its Subsidiaries are duly authorized and validly issued. Attached hereto as part of SCHEDULE 7.1-C is a true, accurate and complete copy of the Borrower Partnership Agreement as in effect on the Closing Date and such Partnership Agreement has not been amended, supplemented, replaced, restated or otherwise modified in any respect since the Closing Date.

(ii) Except where failure may not have a Material Adverse Effect, each Subsidiary: (A) is a corporation or partnership, as indicated on SCHEDULE 7.1-C, duly organized, validly existing and, if applicable, in good standing under the laws of the jurisdiction of its organization, (B) is duly qualified to do business and, if applicable, is in good standing under the laws of each jurisdiction in which failure to be so qualified and in good standing would limit its

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ability to use the courts of such jurisdiction to enforce Contractual Obligations to which it is a party, and (C) has all requisite power and authority to own, operate and encumber its Property and to conduct its business as presently conducted and as proposed to be conducted hereafter.

(d) NO CONFLICT. The execution, delivery and performance of each of the Loan Documents to which the Borrower is a party do not and will not (i) conflict with the Organizational Documents of the Borrower or any Subsidiary of the Borrower, (ii) constitute a tortious interference with any Contractual Obligation of any Person or conflict with, result in a breach of or constitute (with or without notice or lapse of time or both) a default under any Requirement of Law or Contractual Obligation of the Borrower, the General Partners, any Limited Partner, any Subsidiary of the Borrower, or any general or limited partner of any Subsidiary of the Borrower, or require termination of any such Contractual Obligation which may subject the Administrative Agent or any of the other Lenders to any liability, (iii) result in or require the creation or imposition of any Lien whatsoever upon any of the Property or assets of the Borrower, any General Partner, any Limited Partner, any Subsidiary of the Borrower, or any general partner or limited partner of any Subsidiary of the Borrower, or (iv) require any approval of shareholders of the Company or any general partner (or equity holder of any general partner) of any Subsidiary of the Borrower.

(e) GOVERNMENTAL CONSENTS. The execution, delivery and performance of each of the Loan Documents to which the Borrower is a party do not and will not require any registration with, consent or approval of, or notice to, or other action to, with or by any Governmental Authority, except filings, consents or

notices which have been made, obtained or given.

(f) GOVERNMENTAL REGULATION. Neither the Borrower nor any General Partner is subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act, or the Investment Company Act of 1940, or any other federal or state statute or regulation which limits its ability to incur indebtedness

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or its ability to consummate the transactions contemplated by this Agreement.

(g) FINANCIAL POSITION. Complete and accurate copies of the following financial statements and materials have been delivered to the Administrative Agent: (i) annual audited financial statements of the Borrower and its Subsidiaries for the fiscal year ended December 31, 2000, and (ii) quarterly financial statements for the Borrower and its Subsidiaries for the fiscal quarter ending September 30, 2001. All financial statements included in such materials were prepared in all material respects in conformity with GAAP, except as otherwise noted therein, and fairly present in all material respects the respective consolidated financial positions, and the consolidated results of operations and cash flows for each of the periods covered thereby of the Borrower and its Subsidiaries as at the respective dates thereof. Neither the Borrower nor any of its Subsidiaries has any Contingent Obligation, contingent liability or liability for any taxes, long-term leases or commitments, not reflected in its audited financial statements delivered to the Administrative Agent on or prior to the Closing Date or otherwise disclosed to the Administrative Agent and the Lenders in writing, which will have or is reasonably likely to have a Material Adverse Effect.

(h) INDEBTEDNESS. SCHEDULE 7.1-H sets forth, as of September 30, 2001, all Indebtedness for borrowed money of each of the Borrower, the General Partners and their respective Subsidiaries and, except as set forth on SCHEDULE 7.1-H, there are no defaults in the payment of principal or interest on any such Indebtedness and no payments thereunder have been deferred or extended beyond their stated maturity and there has been no material change in the type or amount of such Indebtedness (except for the repayment of certain Indebtedness) since September 30, 2001.

(i) LITIGATION; ADVERSE EFFECTS. Except as set forth in SCHEDULE 7.1-I, as of the Closing Date, there is no action, suit, proceeding, Claim, investigation or arbitration before or by any Governmental Authority or private arbitrator pending or, to the knowledge of the Borrower, threatened against the Company, the Borrower, or any of their respective Subsidiaries, or any Property of any of

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them (i) challenging the validity or the enforceability of any of the Loan Documents, (ii) which will or is reasonably likely to result in any Material Adverse Effect, or (iii) under the Racketeering Influenced and Corrupt Organizations Act or any similar federal or state statute where such Person is a defendant in a criminal indictment that provides for the forfeiture of assets to any Governmental Authority as a potential criminal penalty. There is no material loss contingency within the meaning of GAAP which has not been reflected in the consolidated financial statements of the Company and the Borrower. None of the Company, the Borrower or any Subsidiary of the Borrower is (A) in violation of any applicable Requirements of Law which violation will have or is reasonably likely to have a Material Adverse Effect, or (B) subject to or in default with respect to any final judgment, writ, injunction, restraining order or order of any nature, decree, rule or regulation of any court or Governmental Authority which will have or is reasonably likely to have a Material Adverse Effect.

(j) NO MATERIAL ADVERSE EFFECT. Since September 30, 2001, there has occurred no event which has had or is reasonably likely to have a Material Adverse Effect.

(k) TAX EXAMINATIONS. The IRS has examined (or is foreclosed from examining by applicable statutes) the federal income tax returns of any of the Company's, the Borrower's or its Subsidiaries' predecessors in interest with respect to the Projects for all tax periods prior to and including the taxable year ending December 31, 1997 and the appropriate state Governmental Authority in each state in which the Company's, the Borrower's or its Subsidiaries' predecessors in interest with respect to the Projects were required to file state income tax returns has examined (or is foreclosed from examining by applicable statutes) the state income tax returns of any of such Persons with respect to the Projects for all tax periods prior to and including the taxable year ending December 31, 1997. All deficiencies which have been asserted against such Persons as a result of any federal, state, local or foreign tax examination for each taxable year in respect of which an examination has been conducted have been fully paid or finally settled or are being contested in good faith, and no issue has been raised in any such examination which, by application of

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similar principles, reasonably can be expected to result in assertion of a material deficiency for any other year not so examined which has not been reserved for in the financial statements of such Persons to the extent, if any, required by GAAP. No such Person has taken any reporting positions for which it does not have a reasonable basis nor anticipates any further material tax

liability with respect to the years which have not been closed pursuant to applicable law.

(l) PAYMENT OF TAXES. All tax returns, reports and similar statements or filings of each of the Persons described in SECTION 7.1(k), the Company, the Borrower and its Subsidiaries required to be filed have been timely filed, and, except for Customary Permitted Liens, all taxes, assessments, fees and other charges of Governmental Authorities thereupon and upon or relating to their respective Properties, assets, receipts, sales, use, payroll, employment, income, licenses and franchises which are shown in such returns or reports to be due and payable have been paid, except to the extent (i) such taxes, assessments, fees and other charges of Governmental Authorities are being contested in good faith by an appropriate proceeding diligently pursued as permitted by the terms of SECTION 9.4 and (ii) such taxes, assessments, fees and other charges of Governmental Authorities pertain to Property of the Borrower or any of its Subsidiaries and the non-payment of the amounts thereof would not, individually or in the aggregate, result in a Material Adverse Effect. All other taxes (including, without limitation, real estate taxes), assessments, fees and other governmental charges upon or relating to the respective Properties of the Borrower and its Subsidiaries which are due and payable have been paid, except for Customary Permitted Liens and except to the extent described in clauses (i) and (ii) hereinabove. The Borrower has no knowledge of any proposed tax assessment against the Borrower, any of its Subsidiaries, or any of the Projects that will have or is reasonably likely to have a Material Adverse Effect.

(m) PERFORMANCE. Neither the Company, the Borrower nor any of their Affiliates has received any notice, citation or allegation, nor has actual knowledge, that (i) it is in default in the performance, observance or fulfillment of any of the obligations, covenants or

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conditions contained in any Contractual Obligation applicable to it, (ii) any of its Properties is in violation of any Requirements of Law or (iii) any condition exists which, with the giving of notice or the lapse of time or both, would constitute a default with respect to any such Contractual Obligation, in each case, except where such default or defaults, if any, will not have or is not reasonably likely to have a Material Adverse Effect.

(n) DISCLOSURE. The representations and warranties of the Borrower contained in the Loan Documents, and all certificates and other documents delivered to the Administrative Agent pursuant to the terms thereof, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading. The Borrower has not intentionally withheld any fact from the Administrative Agent or the other Lenders in regard to any matter which will have or is reasonably likely to have a Material Adverse Effect. Notwithstanding the foregoing, the Lenders acknowledge that the Borrower shall not have liability under this clause (o) with respect to its projections of future events.

(o) REQUIREMENTS OF LAW. The Borrower and each of its Subsidiaries is in compliance with all Requirements of Law applicable to it and its respective businesses and Properties, in each case where the failure to so comply individually or in the aggregate will have or is reasonably likely to have a Material Adverse Effect.

(p) ENVIRONMENTAL MATTERS.

(i) Except as disclosed on SCHEDULE 7.1-P:

(A) the operations of the Borrower, each of its Subsidiaries, and their respective Properties comply with all applicable Environmental, Health or Safety Requirements of Law;

(B) the Borrower and each of its Subsidiaries have obtained all material environmental, health and safety Permits necessary for their respective

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operations, and all such Permits are in good standing and the holder of each such Permit is currently in compliance with all terms and conditions of such Permits;

(C) none of the Borrower or any of its Subsidiaries or any of their respective present or past Property or operations are subject to or are the subject of any investigation, judicial or administrative proceeding, order, judgment, decree, dispute, negotiations, agreement or settlement respecting (I) any Environmental, Health or Safety Requirements of Law, (II) any Remedial Action, (III) any Claims or Liabilities and Costs arising from the Release or threatened Release of a Contaminant into the environment, or (IV) any violation of or liability under any Environmental, Health or Safety Requirement of Law;

(D) none of Borrower or any of its Subsidiaries has filed any notice under any applicable Requirement of Law (I) reporting a Release of a Contaminant; (II) indicating past or present treatment, storage or disposal of a hazardous waste, as that term is defined under 40 C.F.R. Part 261 or any state equivalent; or (III) reporting a violation of any applicable Environmental, Health or Safety Requirement of Law;

(E) none of the Borrower's or any of its Subsidiaries' present or past Property is listed or proposed for listing on the National Priorities List ("NPL") pursuant to CERCLA or on the Comprehensive Environmental Response Compensation Liability Information System List ("CERCLIS") or any similar state list of sites requiring Remedial Action;

(F) neither the Borrower nor any of its Subsidiaries has sent or directly arranged for the transport of any waste to any site listed or proposed for listing on the NPL, CERCLIS or any similar state list;

(G) to the best of Borrower's knowledge, there is not now, and to Borrower's knowledge there has never been on or in any Project (I) any treatment, recycling, storage or disposal of any hazardous waste, as that term is defined under 40 C.F.R. Part 261 or any state equivalent; (II) any landfill, waste pile, or surface

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impoundment; (III) any underground storage tanks the presence or use of which is or, to Borrower's knowledge, has been in violation of applicable Environmental, Health or Safety Requirements of Law, (IV) any asbestos-containing material which such Person has any reason to believe could subject such Person or its Property to Liabilities and Costs arising out of or relating to environmental, health or safety matters that would result in a Material Adverse Effect; or (V) any polychlorinated biphenyls (PCB) used in hydraulic oils, electrical transformers or other Equipment which such Person has any reason to believe could subject such Person or its Property to Liabilities and Costs arising out of or relating to environmental, health or safety matters that would result in a Material Adverse Effect;

(H) neither the Borrower nor any of its Subsidiaries has received any notice or Claim to the effect that any of such Persons is or may be liable to any Person as a result of the Release or threatened Release of a Contaminant into the environment;

(I) neither the Borrower nor any of its Subsidiaries has any contingent liability in connection with any Release or threatened Release of any Contaminants into the environment;

(J) no Environmental Lien has attached to any Property of the Borrower or any Subsidiary of the Borrower;

(K) no Property of the Borrower or any Subsidiary of the Borrower is subject to any Environmental Property Transfer Act, or to the extent such acts are applicable to any such Property, the Borrower and/or such Subsidiary whose Property is subject thereto has fully complied with the requirements of such acts; and

(L) neither the Borrower nor any of its Subsidiaries owns or operates, or, to Borrower's knowledge has ever owned or operated, any underground storage tank, the presence or use of which is or has been in violation of applicable Environmental, Health or Safety Requirements of Law, at any Project.

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(ii) the Borrower and each of its Subsidiaries are conducting and will continue to conduct their respective businesses and operations and maintain each Project in compliance with Environmental, Health or Safety Requirements of Law and no such Person has been, and no such Person has any reason to believe that it or any Project will be, subject to Liabilities and Costs arising out of or relating to environmental, health or safety matters that would result in a Material Adverse Effect.

(q) ERISA. Neither the Borrower nor any ERISA Affiliate maintains or contributes to any Plan or Multiemployer Plan other than those listed on SCHEDULE 7.1-Q hereto. Each such Plan which is intended to be qualified under Section 401(a) of the Internal Revenue Code as currently in effect has been determined by the IRS to be so qualified, and each trust related to any such Plan has been determined to be exempt from federal income tax under Section 501(a) of the Internal Revenue Code as currently in effect. Except as disclosed in SCHEDULE 7.1-Q, neither the Borrower nor any of its ERISA Affiliates maintains or contributes to any employee welfare benefit plan within the meaning of Section 3(1) of ERISA which provides benefits to employees after termination of employment other than as required by Section 601 of ERISA. The Borrower and each of its ERISA Affiliates is in compliance in all material respects with the responsibilities, obligations and duties imposed on it by ERISA, the Internal Revenue Code and regulations promulgated thereunder with respect to all Plans. No Plan has incurred any accumulated funding deficiency (as defined in Sections 302(a)(2) of ERISA and 412(a) of the Internal Revenue Code) whether or not waived. Neither the Borrower nor any ERISA Affiliate nor any fiduciary of any Plan which is not a Multiemployer Plan (i) has engaged in a nonexempt prohibited transaction described in Sections 406 of ERISA or 4975 of the Internal Revenue Code or (ii) has taken or failed to take any action which would constitute or result in a Termination Event. Neither the Borrower nor any ERISA Affiliate is subject to any liability under Sections 4063, 4064, 4069, 4204 or 4212(c) of ERISA. Neither the Borrower nor any ERISA Affiliate has incurred any liability to the PBGC which remains outstanding other than the payment of premiums, and there are no premium payments which have become due which are unpaid. Schedule B to the most recent

annual report filed with the IRS with respect to each Plan and furnished to the Administrative Agent is complete and accurate in all material respects. Since the date of each such Schedule B, there has been no material adverse change in the funding status or financial condition of the Plan relating to such Schedule B. Neither the Borrower nor any ERISA Affiliate has (i) failed to make a required contribution or payment to a Multiemployer Plan or (ii) made a complete or partial withdrawal under Sections 4203 or 4205 of ERISA from a Multiemployer Plan. Neither the Borrower nor any ERISA Affiliate has failed to make a required installment or any other required payment under Section 412 of the Internal Revenue Code on or before the due date for such installment or other payment. Neither the Borrower nor any ERISA Affiliate is required to provide security to a Plan under Section 401(a)(29) of the Internal Revenue Code due to a Plan amendment that results in an increase in current liability for the plan year. Except as disclosed on SCHEDULE 7.1-Q, neither the Borrower nor any of its ERISA Affiliates has, by reason of the transactions contemplated hereby, any obligation to make any payment to any employee pursuant to any Plan or existing contract or arrangement.

(r) SECURITIES ACTIVITIES. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

(s) SOLVENCY. After giving effect to the Loans to be made on the Initial Funding Date or such other date as Loans requested hereunder are made, and the disbursement of the proceeds of such Loans pursuant to the Borrower's instructions, the Borrower is Solvent.

(t) INSURANCE. SCHEDULE 7.1-T accurately sets forth as of the Closing Date all insurance policies and programs currently in effect with respect to the respective Property and assets and business of the Borrower and its Subsidiaries, specifying for each such policy and program, (i) the amount thereof, (ii) the risks insured against thereby, (iii) the name of the insurer and each insured party thereunder, (iv) the policy or other identification number thereof, and (v) the expiration date thereof. The Borrower has delivered to the Administrative Agent copies of all insurance policies set forth on SCHEDULE 7.1-T. Such

insurance policies and programs are currently in full force and effect, in compliance with the requirements of SECTION 9.5 hereof and, together with payment by the insured of scheduled deductible payments, are in amounts sufficient to cover the replacement value of the respective Property and assets of the Borrower and/or its Subsidiaries.

(u) REIT STATUS. The Company qualifies as a REIT under the Internal Revenue Code.

(v) OWNERSHIP OF PROJECTS, MINORITY HOLDINGS AND PROPERTY. Ownership of substantially all wholly-owned Projects, Minority Holdings and other Property of the Consolidated Businesses is held by the Borrower and its Subsidiaries and is not held directly by any General Partner.

ARTICLE VIII REPORTING COVENANTS

The Borrower covenants and agrees that so long as any Commitments are outstanding and thereafter until payment in full of all of the Obligations (other than indemnities pursuant to SECTION 15.3 not yet due), unless the Requisite Lenders shall otherwise give prior written consent thereto:

8.1. BORROWER ACCOUNTING PRACTICES. The Borrower shall maintain, and cause each of its Subsidiaries to maintain, a system of accounting established and administered in accordance with sound business practices to permit preparation of consolidated and consolidating financial statements in conformity with GAAP, and each of the financial statements and reports described below shall be prepared from such system and records and in form satisfactory to the Administrative Agent.

8.2. FINANCIAL REPORTS. The Borrower shall deliver or cause to be delivered to the Administrative Agent and the Lenders:

(a) QUARTERLY REPORTS.

(i) BORROWER QUARTERLY FINANCIAL REPORTS. As soon as practicable, and in any event within fifty (50) days

after the end of each fiscal quarter in each Fiscal Year (other than the last fiscal quarter in each Fiscal Year), a consolidated balance sheet of the Borrower and the related consolidated statements of income and cash flow of the Borrower (to be prepared and delivered quarterly in conjunction with the other reports delivered hereunder at the end of each fiscal quarter) for each such fiscal quarter, in each case in form and substance satisfactory to the Administrative Agent and, in comparative form, the corresponding figures for the corresponding periods of the previous Fiscal Year, certified by an Authorized Financial Officer of the Borrower as fairly presenting the consolidated and consolidating financial position of the Borrower as of the dates indicated and

the results of their operations and cash flow for the months indicated in accordance with GAAP, subject to normal quarterly adjustments.

(ii) COMPANY QUARTERLY FINANCIAL REPORTS. As soon as practicable, and in any event within fifty (50) days after the end of each fiscal quarter in each Fiscal Year (other than the last fiscal quarter in each Fiscal Year), the Financial Statements of the Company, the Borrower and its Subsidiaries on Form 10-Q as at the end of such period and a report setting forth in comparative form the corresponding figures for the corresponding period of the previous Fiscal Year, certified by an Authorized Financial Officer of the Company as fairly presenting the consolidated and consolidating financial position of the Company, the Borrower and its Subsidiaries as at the date indicated and the results of their operations and cash flow for the period indicated in accordance with GAAP, subject to normal adjustments.

(iii) QUARTERLY COMPLIANCE CERTIFICATES. Together with each delivery of any quarterly report pursuant to paragraph (a)(i) of this SECTION 8.2, the Borrower shall deliver Officer's Certificates of the Borrower and the Company (the "QUARTERLY COMPLIANCE CERTIFICATES"), signed by the Borrower's and the Company's respective Authorized Financial Officers representing and certifying (1) that the Authorized Financial Officer signatory thereto has reviewed the terms of the Loan Documents, and has made, or caused to be made under his/her supervision, a review in reasonable detail of the transactions and consolidated and consolidating

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financial condition of the Company, the Borrower and its Subsidiaries, during the fiscal quarter covered by such reports, that such review has not disclosed the existence during or at the end of such fiscal quarter, and that such officer does not have knowledge of the existence as at the date of such Officer's Certificate, of any condition or event which constitutes an Event of Default or Potential Event of Default or mandatory prepayment event, or, if any such condition or event existed or exists, and specifying the nature and period of existence thereof and what action the General Partners and/or the Borrower or any of its Subsidiaries has taken, is taking and proposes to take with respect thereto, (2) the calculations (with such specificity as the Administrative Agent may reasonably request) for the period then ended which demonstrate compliance with the covenants and financial ratios set forth in ARTICLES IX AND X and, when applicable, that no Event of Default described in SECTION 11.1 exists, (3) a schedule of the Borrower's outstanding Indebtedness, including the amount, maturity, interest rate and amortization requirements, as well as such other information regarding such Indebtedness as may be reasonably requested by the Administrative Agent, (4) a schedule of Combined EBITDA, (5) a schedule of Unencumbered Combined EBITDA, (6) calculations, in the form of EXHIBIT G attached hereto, evidencing compliance with each of the financial covenants set forth in ARTICLE X hereof, and (7) a schedule of the estimated taxable income of the Borrower for such fiscal quarter.

(iv) HEDGING STATUS REPORT. The Borrower shall deliver, within fifty (50) days after the end of each fiscal quarter of each Fiscal Year, a written report which sets forth the details of the "Interest Rate Hedges" required under SECTION 9.9.

(b) ANNUAL REPORTS.

(i) BORROWER FINANCIAL STATEMENTS. As soon as practicable, and in any event within ninety-five (95) days after the end of each Fiscal Year, (i) the Financial Statements of the Borrower and its Subsidiaries as at the end of such Fiscal Year, (ii) a report with respect thereto of Arthur Andersen & Co. or other independent certified public accountants acceptable to the Administrative Agent, which

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report shall be unqualified and shall state that such financial statements fairly present the consolidated and consolidating financial position of each of the Borrower and its Subsidiaries as at the dates indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except for changes with which Arthur Andersen & Co. or any such other independent certified public accountants, if applicable, shall concur and which shall have been disclosed in the notes to the financial statements), and (iii) in the event that the report referred to in clause (ii) above is qualified, a copy of the management letter or any similar report delivered to the General Partners or to any officer or employee thereof by such independent certified public accountants in connection with such financial statements (which letter or report shall be subject to the confidentiality limitations set forth herein). The Administrative Agent and each Lender (through the Administrative Agent) may, with the consent of the Borrower (which consent shall not be unreasonably withheld), communicate directly with such accountants, with any such communication to occur together with a representative of the Borrower, at the expense of the Administrative Agent (or the Lender requesting such communication), upon reasonable notice and at reasonable times during normal business hours.

(ii) COMPANY FINANCIAL STATEMENTS. As soon as practicable, and in any event within ninety-five (95) days after the end of each Fiscal Year, (i) the Financial Statements of the Company and its Subsidiaries on Form 10-K as at the end of such Fiscal Year and a report setting forth in comparative form the corresponding figures from the consolidated Financial Statements of the Company and its Subsidiaries for the prior Fiscal Year; (ii) a report with respect

thereto of Arthur Andersen & Co. or other independent certified public accountants acceptable to the Administrative Agent, which report shall be unqualified and shall state that such financial statements fairly present the consolidated and consolidating financial position of each of the Company and its Subsidiaries as at the dates indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except for changes with which Arthur Andersen & Co. or any such other independent certified

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public accountants, if applicable, shall concur and which shall have been disclosed in the notes to the financial statements)(which report shall be subject to the confidentiality limitations set forth herein); and (iii) in the event that the report referred to in clause (ii) above is qualified, a copy of the management letter or any similar report delivered to the Company or to any officer or employee thereof by such independent certified public accountants in connection with such financial statements. The Administrative Agent and each Lender (through the Administrative Agent) may, with the consent of the Company (which consent shall not be unreasonably withheld), communicate directly with such accountants, with any such communication to occur together with a representative of the Company, at the expense of the Administrative Agent (or the Lender requesting such communication), upon reasonable notice and at reasonable times during normal business hours.

(iii) ANNUAL COMPLIANCE CERTIFICATES. Together with each delivery of any annual report pursuant to clauses (i) and (ii) of this SECTION 8.2(b), the Borrower shall deliver Officer's Certificates of the Borrower and the Company (the "ANNUAL COMPLIANCE CERTIFICATES" and, collectively with the Quarterly Compliance Certificates, the "COMPLIANCE CERTIFICATES"), signed by the Borrower's and the Company's respective Authorized Financial Officers, representing and certifying that (1) the officer signatory thereto has reviewed the terms of the Loan Documents, and has made, or caused to be made under his/her supervision, a review in reasonable detail of the transactions and consolidated and consolidating financial condition of the General Partners, the Borrower and its Subsidiaries, during the accounting period covered by such reports, that such review has not disclosed the existence during or at the end of such accounting period, and that such officer does not have knowledge of the existence as at the date of such Officer's Certificate, of any condition or event which constitutes an Event of Default or Potential Event of Default or mandatory prepayment event, or, if any such condition or event existed or exists, and specifying the nature and period of existence thereof and what action the General Partners and/or the Borrower or any of its Subsidiaries has taken, is taking and proposes to take with respect thereto, (2) the calculations (with such specificity as the Administrative Agent may

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reasonably request) for the period then ended which demonstrate compliance with the covenants and financial ratios set forth in ARTICLES IX and X and, when applicable, that no Event of Default described in SECTION 11.1 exists, (3) a schedule of the Borrower's outstanding Indebtedness including the amount, maturity, interest rate and amortization requirements, as well as such other information regarding such Indebtedness as may be reasonably requested by the Administrative Agent, (4) a schedule of Combined EBITDA, (5) a schedule of Unencumbered Combined EBITDA, (6) calculations, in the form of EXHIBIT G attached hereto, evidencing compliance with each of the financial covenants set forth in ARTICLE X hereof, and (7) a schedule of the estimated taxable income of the Borrower for such fiscal year.

(iv) TENANT BANKRUPTCY REPORTS. As soon as practicable, and in any event within ninety-five (95) days after the end of each Fiscal Year, the Borrower shall deliver a written report, in form reasonably satisfactory to the Administrative Agent, of all bankruptcy proceedings filed by or against any tenant of any of the Projects, which tenant occupies 3% or more of the gross leasable area in the Projects in the aggregate. The Borrower shall deliver to the Administrative Agent and the Lenders, immediately upon the Borrower's learning thereof, of any bankruptcy proceedings filed by or against, or the cessation of business or operations of, any tenant of any of the Projects which tenant occupies 3% or more of the gross leasable area in the Projects in the aggregate.

(v) PROPERTY REPORTS. When reasonably requested by the Administrative Agent, a rent roll, tenant sales report and income statement with respect to any Project.

8.3. EVENTS OF DEFAULT. Promptly upon the Borrower obtaining knowledge (a) of any condition or event which constitutes an Event of Default or Potential Event of Default, or becoming aware that any Lender or the Administrative Agent has given any notice to the Borrower with respect to a claimed Event of Default or Potential Event of Default under this Agreement; (b) that any Person has given any notice to the Borrower or any Subsidiary of the Borrower or taken any other action with respect to a claimed default or event or condition of the type referred to in SECTION 11.1(e);

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or (c) of any condition or event which has or is reasonably likely to have a Material Adverse Effect, the Borrower shall deliver to the Administrative Agent and the Lenders an Officer's Certificate specifying (i) the nature and

period of existence of any such claimed default, Event of Default, Potential Event of Default, condition or event, (ii) the notice given or action taken by such Person in connection therewith, and (iii) what action the Borrower has taken, is taking and proposes to take with respect thereto.

8.4. LAWSUITS. (i) Promptly upon the Borrower's obtaining knowledge of the institution of, or written threat of, any action, suit, proceeding, governmental investigation or arbitration against or affecting the Borrower or any of its Subsidiaries not previously disclosed pursuant to SECTION 7.1(i), which action, suit, proceeding, governmental investigation or arbitration exposes, or in the case of multiple actions, suits, proceedings, governmental investigations or arbitrations arising out of the same general allegations or circumstances which expose, in the Borrower's reasonable judgment, the Borrower or any of its Subsidiaries to liability in an amount aggregating \$1,000,000 or more and is not covered by Borrower's insurance, the Borrower shall give written notice thereof to the Administrative Agent and the Lenders and provide such other information as may be reasonably available to enable each Lender and the Administrative Agent and its counsel to evaluate such matters; (ii) as soon as practicable and in any event within fifty (50) days after the end of each fiscal quarter of the Borrower, the Borrower shall provide a written quarterly report to the Administrative Agent and the Lenders covering the institution of, or written threat of, any action, suit, proceeding, governmental investigation or arbitration (not previously reported) against or affecting the Borrower or any of its Subsidiaries or any Property of the Borrower or any of its Subsidiaries not previously disclosed by the Borrower to the Administrative Agent and the Lenders, and shall provide such other information at such time as may be reasonably available to enable each Lender and the Administrative Agent and its counsel to evaluate such matters; and (iii) in addition to the requirements set forth in clauses (i) and (ii) of this SECTION 8.4, the Borrower upon request of the Administrative Agent or the Requisite Lenders shall promptly give written notice of the status of any action, suit, proceeding

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governmental investigation or arbitration covered by a report delivered pursuant to clause (i) or (ii) above and provide such other information as may be reasonably available to it to enable each Lender and the Administrative Agent and its counsel to evaluate such matters.

8.5. INSURANCE. As soon as practicable and in any event by January 1st of each calendar year, the Borrower shall deliver to the Administrative Agent and the Lenders (i) a report in form and substance reasonably satisfactory to the Administrative Agent and the Lenders outlining all insurance coverage maintained as of the date of such report by the Borrower and its Subsidiaries and the duration of such coverage and (ii) evidence that all premiums with respect to such coverage have been paid when due.

8.6. ERISA NOTICES. The Borrower shall deliver or cause to be delivered to the Administrative Agent and the Lenders, at the Borrower's expense, the following information and notices as soon as reasonably possible, and in any event:

(a) within fifteen (15) Business Days after the Borrower or any ERISA Affiliate knows or has reason to know that an ERISA Termination Event has occurred, a written statement of the chief financial officer of the Borrower describing such ERISA Termination Event and the action, if any, which the Borrower or any ERISA Affiliate has taken, is taking or proposes to take with respect thereto, and when known, any action taken or threatened by the IRS, DOL or PBGC with respect thereto;

(b) within fifteen (15) Business Days after the Borrower knows or has reason to know that a prohibited transaction (defined in Sections 406 of ERISA and Section 4975 of the Internal Revenue Code) has occurred, a statement of the chief financial officer of the Borrower describing such transaction and the action which the Borrower or any ERISA Affiliate has taken, is taking or proposes to take with respect thereto;

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(c) within fifteen (15) Business Days after the filing of the same with the DOL, IRS or PBGC, copies of each annual report (form 5500 series), including Schedule B thereto, filed with respect to each Plan;

(d) within fifteen (15) Business Days after receipt by the Borrower or any ERISA Affiliate of each actuarial report for any Plan or Multiemployer Plan and each annual report for any Multiemployer Plan, copies of each such report;

(e) within fifteen (15) Business Days after the filing of the same with the IRS, a copy of each funding waiver request filed with respect to any Plan and all communications received by the Borrower or any ERISA Affiliate with respect to such request;

(f) within fifteen (15) Business Days after the occurrence of any material increase in the benefits of any existing Plan or Multiemployer Plan or the establishment of any new Plan or the commencement of contributions to any Plan or Multiemployer Plan to which the Borrower or any ERISA Affiliate was not previously contributing, notification of such increase, establishment or commencement;

(g) within fifteen (15) Business Days after the Borrower or any ERISA

Affiliate receives notice of the PBGC's intention to terminate a Plan or to have a trustee appointed to administer a Plan, copies of each such notice;

(h) within fifteen (15) Business Days after the Borrower or any of its Subsidiaries receives notice of any unfavorable determination letter from the IRS regarding the qualification of a Plan under Section 401(a) of the Internal Revenue Code, copies of each such letter;

(i) within fifteen (15) Business Days after the Borrower or any ERISA Affiliate receives notice

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from a Multiemployer Plan regarding the imposition of withdrawal liability, copies of each such notice;

(j) within fifteen (15) Business Days after the Borrower or any ERISA Affiliate fails to make a required installment or any other required payment under Section 412 of the Internal Revenue Code on or before the due date for such installment or payment, a notification of such failure; and

(k) within fifteen (15) Business Days after the Borrower or any ERISA Affiliate knows or has reason to know (i) a Multiemployer Plan has been terminated, (ii) the administrator or plan sponsor of a Multiemployer Plan intends to terminate a Multiemployer Plan, or (iii) the PBGC has instituted or will institute proceedings under Section 4042 of ERISA to terminate a Multiemployer Plan, notification of such termination, intention to terminate, or institution of proceedings.

For purposes of this SECTION 8.6, the Borrower and any ERISA Affiliate shall be deemed to know all facts known by the "Administrator" of any Plan of which the Borrower or any ERISA Affiliate is the plan sponsor.

8.7. ENVIRONMENTAL NOTICES. The Borrower shall notify the Administrative Agent and the Lenders in writing, promptly upon any representative of the Borrower or other employee of the Borrower responsible for the environmental matters at any Property of the Borrower learning thereof, of any of the following (together with any material documents and correspondence received or sent in connection therewith):

(a) notice or claim to the effect that the Borrower or any of its Subsidiaries is or may be liable to any Person as a result of the Release or threatened Release of any Contaminant into the environment, if such liability would result in a Material Adverse Effect;

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(b) notice that the Borrower or any of its Subsidiaries is subject to investigation by any Governmental Authority evaluating whether any Remedial Action is needed to respond to the Release or threatened Release of any Contaminant into the environment;

(c) notice that any Property of the Borrower or any of its Subsidiaries is subject to an Environmental Lien if the claim to which such Environmental Lien relates would result in a Material Adverse Effect;

(d) notice of violation by the Borrower or any of its Subsidiaries of any Environmental, Health or Safety Requirement of Law;

(e) any condition which might reasonably result in a violation by the Borrower or any Subsidiary of the Borrower of any Environmental, Health or Safety Requirement of Law, which violation would result in a Material Adverse Effect;

(f) commencement or threat of any judicial or administrative proceeding alleging a violation by the Borrower or any of its Subsidiaries of any Environmental, Health or Safety Requirement of Law, which would result in a Material Adverse Effect;

(g) new or proposed changes to any existing Environmental, Health or Safety Requirement of Law that could result in a Material Adverse Effect; or

(h) any proposed acquisition of stock, assets, real estate, or leasing of Property, or any other action by the Borrower or any of its Subsidiaries that could subject the Borrower or any of its Subsidiaries to environmental, health or safety Liabilities and Costs which could result in a Material Adverse Effect.

8.8. LABOR MATTERS. The Borrower shall notify the Administrative Agent and the Lenders in writing,

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promptly upon the Borrower's learning thereof, of any labor dispute to which the Borrower or any of its Subsidiaries may become a party (including, without limitation, any strikes, lockouts or other disputes relating to any Property of such Persons' and other facilities) which could result in a Material Adverse Effect.

8.9. NOTICES OF ASSET SALES AND/OR ACQUISITIONS. The Borrower shall deliver to the Administrative Agent and the Lenders written notice of each of the following upon the occurrence thereof: (a) a sale, transfer or other disposition of assets, in a single transaction or series of related transactions, for consideration in excess of \$50,000,000, (b) an acquisition of assets, in a single transaction or series of related transactions, for consideration in excess of \$50,000,000, and (c) the grant of a Lien with respect to assets, in a single transaction or series of related transactions, in connection with Indebtedness aggregating an amount in excess of \$50,000,000.

8.10. TENANT NOTIFICATIONS. The Borrower shall promptly notify the Administrative Agent upon obtaining knowledge of the bankruptcy or cessation of operations of any tenant to which greater than 3% of the Borrower's share of consolidated minimum rent is attributable.

8.11. OTHER REPORTS. The Borrower shall deliver or cause to be delivered to the Administrative Agent and the other Lenders copies of all financial statements, reports, notices and other materials, if any, sent or made available generally by any General Partner and/or the Borrower to its respective Securities holders or filed with the Commission, all press releases made available generally by any General Partner and/or the Borrower or any of its Subsidiaries to the public concerning material developments in the business of any General Partner, the Borrower or any such Subsidiary and all notifications received by the General Partners, the Borrower or its Subsidiaries pursuant to the Securities Exchange Act and the rules promulgated thereunder.

8.12. OTHER INFORMATION. Promptly upon receiving a request therefor from the Administrative Agent, the Borrower shall prepare and deliver to the Administrative Agent and the other Lenders such other information with respect to

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any General Partner, the Borrower, or any of its Subsidiaries, as from time to time may be reasonably requested by the Administrative Agent.

ARTICLE IX AFFIRMATIVE COVENANTS

Borrower covenants and agrees that so long as any Commitments are outstanding and thereafter until payment in full of all of the Obligations (other than indemnities pursuant to Section 15.3 not yet due), unless the Requisite Lenders shall otherwise give prior written consent:

9.1. EXISTENCE, ETC. The Borrower shall, and shall cause each of its Subsidiaries to, at all times maintain its corporate existence or existence as a limited partnership or joint venture, as applicable, and preserve and keep, or cause to be preserved and kept, in full force and effect its rights and franchises material to its businesses, except where the loss or termination of such rights and franchises is not likely to have a Material Adverse Effect.

9.2. POWERS; CONDUCT OF BUSINESS. The Borrower shall remain qualified, and shall cause each of its Subsidiaries to qualify and remain qualified, to do business and maintain its good standing in each jurisdiction in which the nature of its business and the ownership of its Property requires it to be so qualified and in good standing.

9.3. COMPLIANCE WITH LAWS, ETC. The Borrower shall, and shall cause each of its Subsidiaries to, (a) comply with all Requirements of Law and all restrictive covenants affecting such Person or the business, Property, assets or operations of such Person, and (b) obtain and maintain as needed all Permits necessary for its operations (including, without limitation, the operation of the Projects) and maintain such Permits in good standing, except where noncompliance with either CLAUSE (a) or (b) above is not reasonably likely to have a Material Adverse Effect; PROVIDED, HOWEVER, that the Borrower shall, and shall cause each of its Subsidiaries to, comply with all Environmental, Health or Safety Requirements of Law affecting such Person

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or the business, Property, assets or operations of such Person.

9.4. PAYMENT OF TAXES AND CLAIMS. (a) The Borrower shall pay, and shall cause each of its Subsidiaries to pay, (i) all taxes, assessments and other governmental charges imposed upon it or on any of its Property or assets or in respect of any of its franchises, licenses, receipts, sales, use, payroll, employment, business, income or Property before any penalty or interest accrues thereon, and (ii) all Claims (including, without limitation, claims for labor, services, materials and supplies) for sums which have become due and payable and which by law have or may become a Lien (other than a Lien permitted by SECTION 10.3 or a Customary Permitted Lien for property taxes and assessments not yet due upon any of the Borrower's or any of the Borrower's Subsidiaries' Property or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; PROVIDED, HOWEVER, that no such taxes, assessments, fees and governmental charges referred to in clause (i) above or Claims referred to in clause (ii) above need be paid if being contested in good faith by appropriate proceedings diligently instituted and conducted and if such reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made therefor.

9.5. INSURANCE. The Borrower shall maintain for itself and its

Subsidiaries, or shall cause each of its Subsidiaries to maintain in full force and effect the insurance policies and programs listed on SCHEDULE 7.1-U or substantially similar policies and programs or other policies and programs as are reasonably acceptable to the Administrative Agent. All such policies and programs shall be maintained with insurers reasonably acceptable to the Administrative Agent.

9.6. INSPECTION OF PROPERTY; BOOKS AND RECORDS; DISCUSSIONS. The Borrower shall permit, and cause each of its Subsidiaries to permit, any authorized representative(s) designated by either the Administrative Agent or other Lender to visit and inspect any of the Projects or inspect the MIS of the Borrower or any of its Subsidiaries which relates to the Projects, to examine, audit, check and make

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copies of their respective financial and accounting records, books, journals, orders, receipts and any correspondence and other data relating to their respective businesses or the transactions contemplated hereby (including, without limitation, in connection with environmental compliance, hazard or liability), and to discuss their affairs, finances and accounts with their officers and independent certified public accountants, all with a representative of the Borrower present, upon reasonable notice and at such reasonable times during normal business hours, as often as may be reasonably requested. Each such visitation and inspection shall be at such visitor's expense. The Borrower shall keep and maintain, and cause its Subsidiaries to keep and maintain, in all material respects on its MIS and otherwise proper books of record and account in which entries in conformity with GAAP shall be made of all dealings and transactions in relation to their respective businesses and activities.

9.7. ERISA COMPLIANCE. The Borrower shall, and shall cause each of its Subsidiaries and ERISA Affiliates to, establish, maintain and operate all Plans to comply in all material respects with the provisions of ERISA, the Internal Revenue Code, all other applicable laws, and the regulations and interpretations thereunder and the respective requirements of the governing documents for such Plans.

9.8. MAINTENANCE OF PROPERTY. The Borrower shall, and shall cause each of its Subsidiaries to, maintain in all material respects all of their respective owned and leased Property in good, safe and insurable condition and repair and in a businesslike manner, and not permit, commit or suffer any waste or abandonment of any such Property and from time to time shall make or cause to be made all material repairs, renewal and replacements thereof, including, without limitation, any capital improvements which may be required to maintain the same in a businesslike manner; PROVIDED, HOWEVER, that such Property may be altered or renovated in the ordinary course of business of the Borrower or such applicable Subsidiary. Without any limitation on the foregoing, the Borrower shall maintain the Projects in a manner such that each Project can be used in the manner and substantially for the purposes such Project is used on the Closing Date, including, without limitation, maintaining all

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utilities, access rights, zoning and necessary Permits for such Project.

9.9. HEDGING REQUIREMENTS. The Borrower shall maintain "Interest Rate Hedges" (as defined below) on a notional amount of Indebtedness of the Borrower and its Subsidiaries which, when added to the aggregate principal amount of Indebtedness of the Borrower and its Subsidiaries which bears interest at a fixed rate, equals or exceeds 75% of the aggregate principal amount of all Indebtedness of the Borrower and its Subsidiaries. "INTEREST RATE HEDGES" shall mean interest rate exchange, collar, cap, swap, adjustable strike cap, adjustable strike corridor or similar agreements having terms, conditions and tenors reasonably acceptable to the Administrative Agent entered into by the Borrower and/or its Subsidiaries in order to provide protection to, or minimize the impact upon, the Borrower and/or such Subsidiaries of increasing floating rates of interest applicable to Indebtedness.

9.10. COMPANY STATUS. The Company shall at all times (1) remain a publicly traded company listed on the New York Stock Exchange or other national stock exchange; (2) maintain its status as a REIT under the Internal Revenue Code, (3) retain direct or indirect management and control of the Borrower, and (4) own, directly or indirectly, no less than ninety-nine percent (99%) of the equity Securities of SD (or any other General Partner of the Borrower).

9.11. OWNERSHIP OF PROJECTS, MINORITY HOLDINGS AND PROPERTY. The ownership of substantially all wholly-owned Projects, Minority Holdings and other Property of the Consolidated Businesses shall be held by the Borrower and its Subsidiaries and shall not be held directly by any General Partner.

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ARTICLE X
NEGATIVE COVENANTS

Borrower covenants and agrees that it shall comply with the following covenants so long as any Commitments are outstanding and thereafter until payment in full of all of the Obligations (other than indemnities pursuant to SECTION 15.3 not yet due), unless the Requisite Lenders shall otherwise give prior written consent:

10.1. INDEBTEDNESS. Neither the Borrower nor any of its Subsidiaries shall directly or indirectly create, incur, assume or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, except Indebtedness which, when aggregated with Indebtedness of the General Partners, the Borrower or any of their respective Subsidiaries and Minority Holdings Indebtedness allocable in accordance with GAAP to the Borrower or any Subsidiary of the Borrower as of the time of determination, would not exceed (i) sixty percent (60%) of Capitalization Value as of the date of incurrence, or (ii) in the case of Secured Indebtedness of the Consolidated Businesses and the Borrower's proportionate share of Secured Indebtedness of its Minority Holdings, fifty-five percent (55%) of the Capitalization Value. In addition, neither the Borrower nor any of its Subsidiaries shall incur, directly or indirectly, Indebtedness for borrowed money from any of the General Partners, unless such Indebtedness is unsecured and expressly subordinated to the payment of the Obligations.

10.2. SALES OF ASSETS. Neither the Borrower nor any of its Subsidiaries shall sell, assign, transfer, lease, convey or otherwise dispose of any Property, whether now owned or hereafter acquired, or any income or profits therefrom, or enter into any agreement to do so which would result in a Material Adverse Effect.

10.3. LIENS. Neither the Borrower nor any of its Subsidiaries shall directly or indirectly create, incur, assume or permit to exist any Lien on or with respect to any Property, except:

(a) Liens with respect to Capital Leases of Equipment entered into in the ordinary course of

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business of the Borrower pursuant to which the aggregate Indebtedness under such Capital Leases does not exceed \$100,000 for any Project;

(b) Liens securing permitted Secured Indebtedness; and

(c) Customary Permitted Liens.

10.4. INVESTMENTS. Neither the Borrower nor any of its Subsidiaries shall directly or indirectly make or own any Investment except:

(a) Investments in Cash Equivalents;

(b) Subject to the limitations of clause (e) below, Investments in the Borrower's Subsidiaries, the Borrower's Affiliates and the Management Company;

(c) Investments in the form of advances to employees in the ordinary course of business; PROVIDED THAT the aggregate principal amount of all such advances at any time outstanding shall not exceed \$1,000,000;

(d) Investments received in connection with the bankruptcy or reorganization of suppliers and lessees and in settlement of delinquent obligations of, and other disputes with, lessees and suppliers arising in the ordinary course of business;

(e) Investments (i) in any individual Project (other than Mall of America), which when combined with like Investments of the General Partners in such Project, do not exceed ten percent (10%) of the Capitalization Value after giving effect to such Investments of the Borrower or (ii) in a single Person owning a Project or Property, or a portfolio of Projects or Properties, which when combined with like Investments of the General Partners in such Person, do not exceed thirty-three percent (33%) of the Capitalization Value after giving effect to such Investments of

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the Borrower, it being understood that no Investment in any individual Person will be permitted if the Borrower's allocable share of the Investment of such Person in any individual Project would exceed the limitation described in clause (i) hereinabove.

10.5. CONDUCT OF BUSINESS. Neither the Borrower nor any of its Subsidiaries shall engage in any business, enterprise or activity other than (a) the businesses of acquiring, developing, re-developing and managing predominantly retail and mixed use Projects and portfolios of like Projects and (b) any business or activities which are substantially similar, related or incidental thereto.

10.6. TRANSACTIONS WITH PARTNERS AND AFFILIATES. Neither the Borrower nor any of its Subsidiaries shall directly or indirectly enter into or permit to exist any transaction (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with any holder or holders of more than five percent (5%) of any class of equity Securities of the Borrower, or with any Affiliate of the Borrower which is not its Subsidiary, on terms that are determined by the respective Boards of Directors of the General Partners to be less favorable to the Borrower or any of its Subsidiaries, as applicable, than those that might be obtained in an arm's length transaction at the time from Persons who are not such a holder or Affiliate. Nothing contained in this SECTION 10.6 shall prohibit (a) increases in compensation and benefits

for officers and employees of the Borrower or any of its Subsidiaries which are customary in the industry or consistent with the past business practice of the Borrower or such Subsidiary, PROVIDED THAT no Event of Default or Potential Event of Default has occurred and is continuing; (b) payment of customary partners' indemnities; or (c) performance of any obligations arising under the Loan Documents.

10.7. RESTRICTION ON FUNDAMENTAL CHANGES. Neither the Borrower nor any of its Subsidiaries shall enter into any merger or consolidation, or liquidate, wind-up or dissolve (or suffer any liquidation or dissolution), or convey, lease, sell, transfer or otherwise dispose of, in

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one transaction or series of transactions, all or substantially all of the Borrower's or any such Subsidiary's business or Property, whether now or hereafter acquired, except in connection with issuance, transfer, conversion or repurchase of limited partnership interests in Borrower. Notwithstanding the foregoing, the Borrower shall be permitted to merge with another Person so long as the Borrower is the surviving Person following such merger.

10.8. MARGIN REGULATIONS; SECURITIES LAWS. Neither the Borrower nor any of its Subsidiaries shall use all or any portion of the proceeds of any credit extended under this Agreement to purchase or carry Margin Stock.

10.9. ERISA. The Borrower shall not and shall not permit any of its Subsidiaries or ERISA Affiliates to:

(a) engage in any prohibited transaction described in Sections 406 of ERISA or 4975 of the Internal Revenue Code for which a statutory or class exemption is not available or a private exemption has not been previously obtained from the DOL;

(b) permit to exist any accumulated funding deficiency (as defined in Sections 302 of ERISA and 412 of the Internal Revenue Code), with respect to any Plan, whether or not waived;

(c) fail to pay timely required contributions or annual installments due with respect to any waived funding deficiency to any Plan;

(d) terminate any Plan which would result in any liability of Borrower or any ERISA Affiliate under Title IV of ERISA;

(e) fail to make any contribution or payment to any Multiemployer Plan which Borrower or any ERISA Affiliate may be required to make under any agreement relating to such Multiemployer Plan, or any law pertaining thereto;

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(f) fail to pay any required installment or any other payment required under Section 412 of the Internal Revenue Code on or before the due date for such installment or other payment; or

(g) amend a Plan resulting in an increase in current liability for the plan year such that the Borrower or any ERISA Affiliate is required to provide security to such Plan under Section 401(a)(29) of the Internal Revenue Code.

10.10. ORGANIZATIONAL DOCUMENTS. Neither the General Partners, the Borrower nor any of its Subsidiaries shall amend, modify or otherwise change any of the terms or provisions in any of their respective Organizational Documents as in effect on the Closing Date, except amendments to effect (a) a change of name of the Borrower or any such Subsidiary, PROVIDED THAT the Borrower shall have provided the Administrative Agent with sixty (60) days prior written notice of any such name change, or (b) changes that would not affect such Organizational Documents in any material manner not otherwise permitted under this Agreement.

10.11. FISCAL YEAR. Neither the Company, the Borrower nor any of its Consolidated Businesses shall change its Fiscal Year for accounting or tax purposes from a period consisting of the 12-month period ending on December 31 of each calendar year.

10.12. OTHER FINANCIAL COVENANTS.

(a) MINIMUM COMBINED EQUITY VALUE. The Combined Equity Value shall at no time be less than \$5,000,000,000.

(b) CONSOLIDATED INTEREST COVERAGE RATIO. As of the first day of each fiscal quarter for the immediately preceding consecutive four fiscal quarters, the ratio of (i) Combined EBITDA to (ii) Combined Interest Expense shall not be less than 1.8 to 1.0.

(c) MINIMUM DEBT SERVICE COVERAGE RATIO. As of the first day of each fiscal quarter for the immediately preceding consecutive four fiscal quarters, the ratio of

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Combined EBITDA to Combined Debt Service shall not be less than 1.60 to 1.00.

(d) MINIMUM DEBT YIELD. As of the first day of each fiscal quarter for the immediately preceding consecutive four fiscal quarters, the ratio (expressed as a percentage) (the "DEBT YIELD") of (1) Combined EBITDA to (2) Total Adjusted Outstanding Indebtedness (less unrestricted Cash and Cash Equivalents of the Borrower) shall not be less than 13.5%.

(e) UNENCUMBERED COMBINED EBITDA TO TOTAL UNSECURED OUTSTANDING INDEBTEDNESS. As of the first day of each fiscal quarter for the immediately preceding consecutive four fiscal quarters, the ratio (expressed as a percentage) (the "UNSECURED DEBT YIELD") of (i) the Unencumbered Combined EBITDA to (ii) Total Unsecured Outstanding Indebtedness (less unrestricted Cash and Cash Equivalents of the Borrower) shall not be less than 11%.

(f) UNENCUMBERED COMBINED EBITDA TO UNSECURED INTEREST EXPENSE. As of the first day of each fiscal quarter for the immediately preceding consecutive four fiscal quarters, the ratio of (i) the Unencumbered Combined EBITDA to (ii) Unsecured Interest Expense shall not be less than 1.5 to 1.0.

10.13. PRO FORMA ADJUSTMENTS. In connection with an acquisition of a Project, a Property, or a portfolio of Projects or Properties, by any of the Consolidated Businesses or any Minority Holding (whether such acquisition is direct or through the acquisition of a Person which owns such Property), the financial covenants contained in this Agreement shall be calculated as follows on a PRO FORMA basis (with respect to the PRO RATA share of the Borrower in the case of an acquisition by a Minority Holding), which PRO FORMA calculation shall be effective until the last day of the fourth fiscal quarter following such acquisition (or such earlier test period, as applicable), at which time actual performance shall be utilized for such calculations.

(a) ANNUAL EBITDA. Annual EBITDA for the acquired Property shall be deemed to be an amount equal to (i) the net purchase price of the acquired Property (or the

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Borrower's pro rata share of such net purchase price in the event of an acquisition by a Minority Holding) for the first fiscal quarter following such acquisition, multiplied by 8.25% and (ii) for the succeeding three fiscal quarters, Annual EBITDA shall be deemed the greater of (A) the net purchase price multiplied by 8.25%, or (B) the actual EBITDA from such acquired Property during the period following Borrower's (direct or indirect) acquisition, computed on an annualized basis, provided that such annualized EBITDA shall in no event exceed the final product obtained after multiplying (1) the net purchase price by (2) 1.1, and then by (3) 8.25%.

(b) COMBINED EBITDA. The pro forma calculation of Annual EBITDA for the acquired Property shall be added to the calculation of Combined EBITDA.

(c) UNENCUMBERED COMBINED EBITDA. If, after giving effect to the acquisition, the acquired Property will not be encumbered by Secured Indebtedness, then the pro forma Annual EBITDA for the acquired Property shall be added to the calculation of Unencumbered Combined EBITDA.

(d) SECURED INDEBTEDNESS. Any Indebtedness secured by a Lien incurred and/or assumed in connection with such acquisition of a Property shall be added to the calculation of Secured Indebtedness.

(e) TOTAL ADJUSTED OUTSTANDING INDEBTEDNESS. Any Indebtedness incurred and/or assumed in connection with such acquisition shall be added to the calculation of Total Adjusted Outstanding Indebtedness.

(f) COMBINED INTEREST EXPENSE. If any Indebtedness is incurred or assumed in connection with such acquisition, then the amount of interest expense to be incurred on such Indebtedness during the period following such acquisition, computed on an annualized basis during the applicable period, shall be added to the calculation of Combined Interest Expense.

(g) TOTAL UNSECURED OUTSTANDING INDEBTEDNESS. Any Indebtedness which is not secured by a Lien and which is incurred and/or assumed in connection with such acquisition

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shall be added to the calculation of Total Unsecured Outstanding Indebtedness.

(h) UNSECURED INTEREST EXPENSE. If any unsecured Indebtedness is incurred or assumed in connection with such acquisition, then the amount of interest expense to be incurred on such Indebtedness during the period following such acquisition, computed on an annualized basis during the applicable period, shall be added to the calculation of Unsecured Interest Expense.

(i) DEBT YIELD AND UNENCUMBERED DEBT YIELD. For purposes of calculating Debt Yield and Unencumbered Debt Yield only, non-recourse Indebtedness and completion guarantees incurred for the construction of new Projects shall, until such time as the interest expense associated with such financing need no longer be capitalized in accordance with GAAP, be excluded from the calculation of Total Adjusted Outstanding Indebtedness (provided that recourse Indebtedness and repayment guarantees shall be included in such calculation).

ARTICLE XI
EVENTS OF DEFAULT; RIGHTS AND REMEDIES

11.1. EVENTS OF DEFAULT. Each of the following occurrences shall constitute an Event of Default under this Agreement:

(a) FAILURE TO MAKE PAYMENTS WHEN DUE. The Borrower shall fail to pay (i) when due any principal payment on the Obligations which is due on the Termination Date or pursuant to the terms of SECTION 2.1(a), SECTION 2.2, SECTION 2.4, OR SECTION 4.1(d) or (ii) within five Business Days after the date on which due, any interest payment on the Obligations or any principal payment pursuant to the terms of SECTION 4.1(a) or (iii) when due, any principal payment on the Obligations not referenced in clauses (i) or (ii) hereinabove.

(b) BREACH OF CERTAIN COVENANTS. The Borrower shall fail duly and punctually to perform or observe any agreement, covenant or obligation binding on such Person

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under SECTIONS 8.3, 9.1, 9.2, 9.3, 9.4, 9.5, 9.6, or ARTICLE X.

(c) BREACH OF REPRESENTATION OR WARRANTY. Any representation or warranty made by the Borrower to the Administrative Agent or any other Lender herein or by the Borrower or any of its Subsidiaries in any of the other Loan Documents or in any statement or certificate at any time given by any such Person pursuant to any of the Loan Documents shall be false or misleading in any material respect on the date as of which made.

(d) OTHER DEFAULTS. Except as set forth in the next sentence, the Borrower shall default in the performance of or compliance with any term contained in this Agreement (other than as identified in paragraphs (a), (b) or (c) of this SECTION 11.1), or any default or event of default shall occur under any of the other Loan Documents, and such default or event of default shall continue for twenty (20) days after receipt of written notice from the Administrative Agent thereof. With respect to any failure in the performance of or compliance with the terms of SECTION 9.9, such failure or noncompliance shall not constitute an Event of Default so long as the Borrower cures such failure or non-compliance within one hundred eighty (180) days after the receipt of written notice from the Administrative Agent thereof.

(e) ACCELERATION OF OTHER INDEBTEDNESS. Any breach, default or event of default shall occur, or any other condition shall exist under any instrument, agreement or indenture pertaining to any recourse Indebtedness (other than the Obligations) of the Borrower or its Subsidiaries aggregating \$30,000,000 or more, and the effect thereof is to cause an acceleration, mandatory redemption or other required repurchase of such Indebtedness, or permit the holder(s) of such Indebtedness to accelerate the maturity of any such Indebtedness or require a redemption or other repurchase of such Indebtedness; or any such Indebtedness shall be otherwise declared to be due and payable (by acceleration or otherwise) or required to be prepaid, redeemed or otherwise repurchased by the Borrower or any of its Subsidiaries (other than by a regularly scheduled required prepayment) prior to the stated maturity thereof.

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(f) INVOLUNTARY BANKRUPTCY; APPOINTMENT OF RECEIVER, ETC.

(i) An involuntary case shall be commenced against any General Partner, the Borrower, or any of its Subsidiaries to which \$150,000,000 or more of the Combined Equity Value is attributable, and the petition shall not be dismissed, stayed, bonded or discharged within sixty (60) days after commencement of the case; or a court having jurisdiction in the premises shall enter a decree or order for relief in respect of any General Partner, the Borrower or any of its Subsidiaries in an involuntary case, under any applicable bankruptcy, insolvency or other similar law now or hereinafter in effect; or any other similar relief shall be granted under any applicable federal, state, local or foreign law; or the respective board of directors of any General Partner or Limited Partners of the Borrower or the board of directors or partners of any of the Borrower's Subsidiaries (or any committee thereof) adopts any resolution or otherwise authorizes any action to approve any of the foregoing.

(ii) A decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over any of the General Partners, the Borrower, or any of its Subsidiaries to which \$150,000,000 or more of the Combined Equity Value is attributable, or over all or a substantial part of the Property of any of the General Partners, the Borrower or any of such Subsidiaries shall be entered; or an interim receiver, trustee or other custodian of any of the General Partners, the Borrower or any of such Subsidiaries or of all or a substantial part of the Property of any of the General Partners, the Borrower or any of such Subsidiaries shall be appointed or a warrant of attachment, execution or similar process against any substantial part of the Property of any of the General Partners, the Borrower or any of such Subsidiaries shall be issued and any such event shall not be stayed, dismissed, bonded or discharged within sixty (60) days after entry, appointment or issuance; or the respective board of directors of any of the General Partners or Limited Partners of the Borrower or the board of directors or partners of any of Borrower's Subsidiaries (or any committee

thereof) adopts any resolution or otherwise authorizes any action to approve any of the foregoing.

(g) VOLUNTARY BANKRUPTCY; APPOINTMENT OF RECEIVER, ETC. Any of the General Partners, the Borrower, or any of its Subsidiaries to which \$150,000,000 or more of the Combined Equity Value is attributable, shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its Property; or any of the General Partners, the Borrower or any of such Subsidiaries shall make any assignment for the benefit of creditors or shall be unable or fail, or admit in writing its inability, to pay its debts as such debts become due.

(h) JUDGMENTS AND UNPERMITTED LIENS.

(i) Any money judgment (other than a money judgment covered by insurance as to which the insurance company has acknowledged coverage), writ or warrant of attachment, or similar process against the Borrower or any of its Subsidiaries or any of their respective assets involving in any case an amount in excess of \$15,000,000 (other than with respect to Claims arising out of non-recourse Indebtedness) is entered and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty (60) days or in any event later than five (5) days prior to the date of any proposed sale thereunder; PROVIDED, HOWEVER, if any such judgment, writ or warrant of attachment or similar process is in excess of \$30,000,000 (other than with respect to Claims arising out of non-recourse Indebtedness), the entry thereof shall immediately constitute an Event of Default hereunder.

(ii) A federal, state, local or foreign tax Lien is filed against the Borrower which is not discharged of record, bonded over or otherwise secured to the satisfaction of the Administrative Agent within fifty (50) days after the filing thereof or the date upon which the Administrative

Agent receives actual knowledge of the filing thereof for an amount which, either separately or when aggregated with the amount of any judgments described in clause (i) above and/or the amount of the Environmental Lien Claims described in clause (iii) below, equals or exceeds \$15,000,000.

(iii) An Environmental Lien is filed against any Project with respect to Claims in an amount which, either separately or when aggregated with the amount of any judgments described in clause (i) above and/or the amount of the tax Liens described in clause (ii) above, equals or exceeds \$15,000,000.

(i) DISSOLUTION. Any order, judgment or decree shall be entered against the Borrower decreeing its involuntary dissolution or split up; or the Borrower shall otherwise dissolve or cease to exist except as specifically permitted by this Agreement.

(j) LOAN DOCUMENTS. At any time, for any reason, any Loan Document ceases to be in full force and effect or the Borrower seeks to repudiate its obligations thereunder.

(k) ERISA TERMINATION EVENT. Any ERISA Termination Event occurs which the Administrative Agent believes could subject either the Borrower or any ERISA Affiliate to liability in excess of \$500,000.

(l) WAIVER APPLICATION. The plan administrator of any Plan applies under Section 412(d) of the Code for a waiver of the minimum funding standards of Section 412(a) of the Internal Revenue Code and the Administrative Agent believes that the substantial business hardship upon which the application for the waiver is based could subject either the Borrower or any ERISA Affiliate to liability in excess of \$500,000.

(m) INTENTIONALLY OMITTED.

(n) CERTAIN DEFAULTS PERTAINING TO THE GENERAL PARTNERS. The Company shall fail to (i) maintain its status as a REIT for federal income tax purposes, (ii) continue as a general partner of the Borrower, (iii) maintain ownership

of no less than 99% of the equity Securities of SD (or any other General Partner of the Borrower), (iv) comply with all Requirements of Law applicable to it and its businesses and Properties, in each case where the failure to so comply individually or in the aggregate will have or is reasonably likely to have a Material Adverse Effect, (v) remain listed on the New York Stock Exchange or other national stock exchange, or (vi) file all tax returns and reports required to be filed by it with any Governmental Authority as and when required to be filed or to pay any taxes, assessments, fees or other governmental charges upon it or its Property, assets, receipts, sales, use, payroll, employment, licenses, income, or franchises which are shown in such returns, reports or similar statements to be due and payable as and when due and payable, except for taxes, assessments, fees and other governmental charges (A) that are being contested by

the Company in good faith by an appropriate proceeding diligently pursued, (B) for which adequate reserves have been made on its books and records, and (C) the amounts the non-payment of which would not, individually or in the aggregate, result in a Material Adverse Effect.

(o) MERGER OR LIQUIDATION OF THE GENERAL PARTNERS OR THE BORROWER. Any General Partner shall merge or liquidate with or into any other Person and, as a result thereof and after giving effect thereto, (i) such General Partner is not the surviving Person or (ii) such merger or liquidation would effect an acquisition of or Investment in any Person not otherwise permitted under the terms of this Agreement. The Borrower shall merge or liquidate with or into any other Person and, as a result thereof and after giving effect thereto, (i) the Borrower is not the surviving Person or (ii) such merger or liquidation would effect an acquisition of or Investment in any Person not otherwise permitted under the terms of this Agreement.

An Event of Default shall be deemed "continuing" until cured or waived in writing in accordance with SECTION 15.7.

11.2. RIGHTS AND REMEDIES.

(a) ACCELERATION AND TERMINATION. Upon the occurrence of any Event of Default described in SECTIONS 11.1(f) or 11.1(g), the Commitments shall automatically and

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immediately terminate and the unpaid principal amount of, and any and all accrued interest on, the Obligations and all accrued fees shall automatically become immediately due and payable, without presentment, demand, or protest or other requirements of any kind (including, without limitation, valuation and appraisal, diligence, presentment, notice of intent to demand or accelerate and of acceleration), all of which are hereby expressly waived by the Borrower; and upon the occurrence and during the continuance of any other Event of Default, the Administrative Agent shall at the request, or may with the consent, of the Requisite Lenders, by written notice to the Borrower, (i) declare that the Commitments are terminated, and/or (ii) declare the unpaid principal amount of and any and all accrued and unpaid interest on the Obligations to be, and the same shall there-upon be, immediately due and payable, without presentment, demand, or protest or other requirements of any kind (including, without limitation, valuation and appraisal, diligence, presentment, notice of intent to demand or accelerate and of acceleration), all of which are hereby expressly waived by the Borrower.

(b) RESCISSION. If at any time after termination of the Commitments and/or acceleration of the maturity of the Loans, the Borrower shall pay all arrears of interest and all payments on account of principal of the Loans which shall have become due otherwise than by acceleration (with interest on principal and, to the extent permitted by law, on overdue interest, at the rates specified in this Agreement) and all Events of Default and Potential Events of Default (other than nonpayment of principal of and accrued interest on the Loans due and payable solely by virtue of acceleration) shall be remedied or waived pursuant to SECTION 15.7, then upon the written consent of the Requisite Lenders and written notice to the Borrower, the termination of the Commitments and/or the acceleration and their consequences may be rescinded and annulled; but such action shall not affect any subsequent Event of Default or Potential Event of Default or impair any right or remedy consequent thereon. The provisions of the preceding sentence are intended merely to bind the Lenders to a decision which may be made at the election of the Requisite Lenders; they are not intended to benefit the Borrower and do not give the Borrower the right to require the Lenders to rescind or

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annul any acceleration hereunder, even if the conditions set forth herein are met.

(c) ENFORCEMENT. The Borrower acknowledges that in the event the Borrower or any of its Subsidiaries fails to perform, observe or discharge any of their respective obligations or liabilities under this Agreement or any other Loan Document, any remedy of law may prove to be inadequate relief to the Administrative Agent and the other Lenders; therefore, the Borrower agrees that the Administrative Agent and the other Lenders shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages.

ARTICLE XII THE AGENTS

12.1. APPOINTMENT. (a) Each Lender hereby designates and appoints Commerzbank as the Administrative Agent, JPMorgan Chase Bank as the Syndication Agent, and National City Bank, as the Documentation Agent, of such Lender under this Agreement, and each Lender hereby irrevocably authorizes the Agents to take such actions on its behalf under the provisions of this Agreement and the Loan Documents and to exercise such powers as are set forth herein or therein together with such other powers as are reasonably incidental thereto. The Agents each agrees to act as such on the express conditions contained in this ARTICLE XII. The Administrative Agent shall administer this Agreement and service the Loans with the same degree of care as the Administrative Agent would use in servicing a loan of similar size and type for its own account.

(b) The provisions of this ARTICLE XII are solely for the benefit of the Agents, and neither the Borrower, the General Partners nor any Subsidiary of the Borrower shall have any rights to rely on or enforce any of the provisions hereof (other than as expressly set forth in SECTION 12.7). In performing their respective functions and duties under this Agreement, the Agents shall act solely as agent of the Lenders and do not assume and shall not be deemed to have assumed any obligation or relationship of agency, trustee or fiduciary with or for any General Partner, the Borrower or

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any Subsidiary of the Borrower. The Agents may perform any of their respective duties hereunder, or under the Loan Documents, by or through their respective agents or employees.

12.2. NATURE OF DUTIES. The Agents shall not have any duties or responsibilities except those expressly set forth in this Agreement or in the Loan Documents. The duties of the Administrative Agent shall be mechanical and administrative in nature. None of the Agents shall have by reason of this Agreement a fiduciary relationship in respect of any Holder. Nothing in this Agreement or any of the Loan Documents, expressed or implied, is intended to or shall be construed to impose upon the Agents any obligations in respect of this Agreement or any of the Loan Documents except as expressly set forth herein or therein. The Administrative Agent hereby agrees that its duties shall include providing copies of documents received by such Agent from the Borrower which are reasonably requested by any Lender and promptly notifying each Lender upon its obtaining actual knowledge of the occurrence of any Event of Default hereunder. In addition, the Administrative Agent shall promptly deliver to each of the Lenders copies of all notices of default and other formal notices (including, without limitation, requests for waivers or modifications) sent or received.

12.3. RIGHT TO REQUEST INSTRUCTIONS. The Agents may at any time request instructions from the Lenders with respect to any actions or approvals which by the terms of any of the Loan Documents such Agent is permitted or required to take or to grant, and such Agent shall be absolutely entitled to refrain from taking any action or to withhold any approval and shall not be under any liability whatsoever to any Person for refraining from any action or withholding any approval under any of the Loan Documents until it shall have received such instructions from those Lenders from whom such Agent is required to obtain such instructions for the pertinent matter in accordance with the Loan Documents. Without limiting the generality of the foregoing, such Agent shall take any action, or refrain from taking any action, which is permitted by the terms of the Loan Documents upon receipt of instructions from those Lenders from whom such Agent is required to obtain such

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instructions for the pertinent matter in accordance with the Loan Documents, PROVIDED, that no Holder shall have any right of action whatsoever against the Agents as a result of such Agent acting or refraining from acting under the Loan Documents in accordance with the instructions of the Requisite Lenders or, where required by the express terms of this Agreement, a greater proportion of the Lenders.

12.4. RELIANCE. The Agents shall each be entitled to rely upon any written notices, statements, certificates, orders or other documents or any telephone message believed by it in good faith to be genuine and correct and to have been signed, sent or made by the proper Person, and with respect to all matters pertaining to this Agreement or any of the Loan Documents and its duties hereunder or thereunder, upon advice of legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it.

12.5. INDEMNIFICATION. To the extent that any Agent is not reimbursed and indemnified by the Borrower, the Lenders will reimburse and indemnify such Agent solely in its capacity as such Agent and not as a Lender for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, and reasonable costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against it in any way relating to or arising out of the Loan Documents or any action taken or omitted by such Agent under the Loan Documents, in proportion to each Lender's Pro Rata Share, unless and to the extent that any such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, and reasonable costs, expenses or disbursements shall arise as a result of such Agent's gross negligence or willful misconduct. Such Agent agrees to refund to the Lenders any of the foregoing amounts paid to it by the Lenders which amounts are subsequently recovered by such Agent from the Borrower or any other Person on behalf of the Borrower. The obligations of the Lenders under this SECTION 12.5 shall survive the payment in full of the Loans and all other Obligations and the termination of this Agreement.

12.6. AGENTS INDIVIDUALLY. With respect to their respective Pro Rata Share of the Commitments hereunder, if

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any, and the Loans made by it, if any, the Agents shall have and may exercise the same rights and powers hereunder and is subject to the same obligations and liabilities as and to the extent set forth herein for any other Lender. The terms "Lenders" or "Requisite Lenders" or any similar terms shall, unless the context clearly otherwise indicates, include each of the Agent in its respective

individual capacity as a Lender or as one of the Requisite Lenders. The Administrative Agent may accept deposits from, lend money to, and generally engage in any kind of banking, trust or other business with the Borrower or any of its Subsidiaries as if they were not acting as the applicable Agent pursuant hereto.

12.7. SUCCESSOR AGENTS.

(a) RESIGNATION AND REMOVAL. Any Agent may resign from the performance of all its functions and duties hereunder at any time by giving at least thirty (30) Business Days' prior written notice to the Borrower and the other Lenders, unless applicable law requires a shorter notice period or that there be no notice period, in which instance such applicable law shall control. Any Agent may be removed (i) at the direction of Lenders whose Pro Rata Shares, in the aggregate, are greater than fifty percent (50%), in the event the Agent is not also a Lender having a Commitment of at least \$9,000,000 or six percent (6%) of the Commitments at such time or (ii) at the direction of the Requisite Lenders, in the event such Agent shall commit gross negligence or willful misconduct in the performance of its duties hereunder. Such resignation or removal shall take effect upon the acceptance by a successor Agent of appointment pursuant to this SECTION 12.7.

(b) INTENTIONALLY OMITTED.

(c) APPOINTMENT BY RETIRING AGENT. If a successor Administrative Agent shall not have been appointed within the thirty (30) Business Day or shorter period provided in PARAGRAPH (a) of this SECTION 12.7, the retiring Agent shall then appoint a successor Agent who shall serve as Administrative Agent until such time, if any, as the Lenders appoint a successor Agent as provided above.

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(d) RIGHTS OF THE SUCCESSOR AND RETIRING AGENTS. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Agent's resignation hereunder as Agent, the provisions of this ARTICLE XII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Agent under this Agreement.

12.8. RELATIONS AMONG THE LENDERS. Each Lender agrees that it will not take any legal action, nor institute any actions or proceedings, against the Borrower hereunder with respect to any of the Obligations, without the prior written consent of the Lenders. Without limiting the generality of the foregoing, no Lender may accelerate or otherwise enforce its portion of the Obligations, or unilaterally terminate its Commitment except in accordance with SECTION 11.2(a).

ARTICLE XIII YIELD PROTECTION

13.1. TAXES.

(a) PAYMENT OF TAXES. Any and all payments by the Borrower hereunder or under any Note or other document evidencing any Obligations shall be made, in accordance with SECTION 4.2, free and clear of and without reduction for any and all present or future taxes, levies, imposts, deductions, charges, withholdings, and all stamp or documentary taxes, excise taxes, ad valorem taxes and other taxes imposed on the value of the Property, charges or levies which arise from the execution, delivery or registration, or from payment or performance under, or otherwise with respect to, any of the Loan Documents or the Commitments and all other liabilities with respect thereto excluding, in the case of each Lender, taxes imposed on or measured by net income or overall gross receipts and capital and franchise taxes imposed on it by (i) the United States, (ii) the Governmental Authority of the jurisdiction in which such Lender's

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Applicable Lending Office is located or any political subdivision thereof or (iii) the Governmental Authority in which such Person is organized, managed and controlled or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges and withholdings being hereinafter referred to as "TAXES"). If the Borrower shall be required by law to withhold or deduct any Taxes from or in respect of any sum payable hereunder or under any such Note or document to any Lender, (x) the sum payable to such Lender shall be increased as may be necessary so that after making all required withholding or deductions (including withholding or deductions applicable to additional sums payable under this SECTION 13.1) such Lender receives an amount equal to the sum it would have received had no such withholding or deductions been made, (y) the Borrower shall make such withholding or deductions, and (z) the Borrower shall pay the full amount withheld or deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) INDEMNIFICATION. The Borrower will indemnify each Lender against, and reimburse each Lender on demand for, the full amount of all Taxes (including, without limitation, any Taxes imposed by any Governmental Authority on amounts payable under this SECTION 13.1 and any additional income or franchise taxes resulting therefrom) incurred or paid by such Lender or any of its Affiliates and any liability (including penalties, interest, and out-of-pocket expenses paid to third parties) arising therefrom or with respect

thereto, whether or not such Taxes were lawfully payable. A certificate as to any additional amount payable to any Person under this SECTION 13.1 submitted by it to the Borrower shall, absent manifest error, be final, conclusive and binding upon all parties hereto. Each Lender agrees, within a reasonable time after receiving a written request from the Borrower, to provide the Borrower and the Administrative Agent with such certificates as are reasonably required, and take such other actions as are reasonably necessary to claim such exemptions as such Lender may be entitled to claim in respect of all or a portion of any Taxes which are otherwise required to be paid or deducted or withheld pursuant to this SECTION 13.1 in respect of any payments under this Agreement or under the Notes.

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(c) RECEIPTS. Within thirty (30) days after the date of any payment of Taxes by the Borrower, the Borrower will furnish to the Administrative Agent, at its address referred to in SECTION 15.8, the original or a certified copy of a receipt evidencing payment thereof.

(d) FOREIGN BANK CERTIFICATIONS. (i) Each Lender that is not created or organized under the laws of the United States or a political subdivision thereof shall deliver to the Borrower and the Administrative Agent on the Closing Date or the date on which such Lender becomes a Lender pursuant to SECTION 15.1 hereof a true and accurate certificate executed in duplicate by a duly authorized officer of such Lender to the effect that such Lender is eligible to receive payments hereunder and under the Notes without deduction or withholding of United States federal income tax (I) under the provisions of an applicable tax treaty concluded by the United States (in which case the certificate shall be accompanied by two duly completed copies of IRS Form 1001 (or any successor or substitute form or forms)) or (II) under Sections 1442(c)(1) and 1442(a) of the Internal Revenue Code (in which case the certificate shall be accompanied by two duly completed copies of IRS Form 4224 (or any successor or substitute form or forms)).

(ii) Each Lender further agrees to deliver to the Borrower and the Administrative Agent from time to time a true and accurate certificate executed in duplicate by a duly authorized officer of such Lender before or promptly upon the occurrence of any event requiring a change in the most recent certificate previously delivered by it to the Borrower and the Administrative Agent pursuant to this SECTION 13.1(d). Each certificate required to be delivered pursuant to this SECTION 13.1(d)(ii) shall certify as to one of the following:

(A) that such Lender can continue to receive payments hereunder and under the Notes without deduction or withholding of United States federal income tax;

(B) that such Lender cannot continue to receive payments hereunder and under the Notes without deduction or withholding of United States

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federal income tax as specified therein but does not require additional payments pursuant to SECTION 13.1(a) because it is entitled to recover the full amount of any such deduction or withholding from a source other than the Borrower; or

(C) that such Lender is no longer capable of receiving payments hereunder and under the Notes without deduction or withholding of United States federal income tax as specified therein and that it is not capable of recovering the full amount of the same from a source other than the Borrower.

Each Lender agrees to deliver to the Borrower and the Administrative Agent further duly completed copies of the above-mentioned IRS forms on or before the earlier of (x) the date that any such form expires or becomes obsolete or otherwise is required to be resubmitted as a condition to obtaining an exemption from withholding from United States federal income tax and (y) fifteen (15) days after the occurrence of any event requiring a change in the most recent form previously delivered by such Lender to the Borrower and Administrative Agent, unless any change in treaty, law, regulation, or official interpretation thereof which would render such form inapplicable or which would prevent the Lender from duly completing and delivering such form has occurred prior to the date on which any such delivery would otherwise be required and the Lender promptly advises the Borrower that it is not capable of receiving payments hereunder and under the Notes without any deduction or withholding of United States federal income tax.

13.2. INCREASED CAPITAL. If after the date hereof any Lender determines that (i) the adoption or implementation of or any change in or in the interpretation or administration of any law or regulation or any guideline or request from any central bank or other Governmental Authority or quasi-governmental authority exercising jurisdiction, power or control over any Lender or banks or financial institutions generally (whether or not having the force of law), compliance with which affects or would affect the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender and (ii) the amount of such capital is increased by or based

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upon the making or maintenance by any Lender of its Loans, any Lender's

participation in or obligation to participate in the Loans or other advances made hereunder or the existence of any Lender's obligation to make Loans, then, in any such case, upon written demand by such Lender (with a copy of such demand to the Administrative Agent), the Borrower shall immediately pay to the Administrative Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender or such corporation therefor. Such demand shall be accompanied by a statement as to the amount of such compensation and include a brief summary of the basis for such demand. Such statement shall be conclusive and binding for all purposes, absent manifest error.

13.3. CHANGES; LEGAL RESTRICTIONS. If after the date hereof any Lender determines that the adoption or implementation of or any change in or in the interpretation or administration of any law or regulation or any guideline or request from any central bank or other Governmental Authority or quasi-governmental authority exercising jurisdiction, power or control over any Lender, or over banks or financial institutions generally (whether or not having the force of law), compliance with which:

(a) does or will subject a Lender (or its Applicable Lending Office or Eurodollar Affiliate) to charges (other than taxes) of any kind which such Lender reasonably determines to be applicable to the Commitments of the Lenders to make Eurodollar Rate Loans or change the basis of taxation of payments to that Lender of principal, fees, interest, or any other amount payable hereunder with respect to Eurodollar Rate Loans; or

(b) does or will impose, modify, or hold applicable, in the determination of a Lender, any reserve (other than reserves taken into account in calculating the Eurodollar Rate), special deposit, compulsory loan, FDIC insurance or similar requirement against assets held by, or deposits or other liabilities in or for the account of, advances or loans by, commitments made, or other credit extended by, or any other acquisition of

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funds by, a Lender or any Applicable Lending Office or Eurodollar Affiliate of that Lender;

and the result of any of the foregoing is to increase the cost to that Lender of making, renewing or maintaining the Loans or its Commitment or to reduce any amount receivable thereunder; then, in any such case, upon written demand by such Lender (with a copy of such demand to the Administrative Agent), the Borrower shall immediately pay to the Administrative Agent for the account of such Lender, from time to time as specified by such Lender, such amount or amounts as may be necessary to compensate such Lender or its Eurodollar Affiliate for any such additional cost incurred or reduced amount received. Such demand shall be accompanied by a statement as to the amount of such compensation and include a brief summary of the basis for such demand. Such statement shall be conclusive and binding for all purposes, absent manifest error.

13.4. REPLACEMENT OF CERTAIN LENDERS. In the event a Lender (a "DESIGNEE LENDER") shall have requested additional compensation from the Borrower under SECTION 13.2 or under SECTION 13.3, the Borrower may, at its sole election, (a) make written demand on such Designee Lender (with a copy to the Administrative Agent) for the Designee Lender to assign, and such Designee Lender shall assign pursuant to one or more duly executed Assignment and Acceptances to one or more Eligible Assignees which the Borrower or the Administrative Agent shall have identified for such purpose, all of such Designee Lender's right and obligations under this Agreement and the Notes (including, without limitation, its Commitment, and all Loans owing to it) in accordance with SECTION 15.1 or (b) repay all Loans owing to the Designee Lender together with interest accrued with respect thereto to the date of such repayment and all fees and other charges accrued or payable under the terms of this Agreement for the benefit of the Designee Lender to the date of such repayment. Any such repayment and remittance shall be for the sole credit of the Designee Lender and not for any other Lender. Upon delivery of such repayment and remittance in immediately available funds as aforesaid, the Designee Lender shall cease to be a Lender under this Agreement. All expenses incurred by the Administrative Agent in connection with the foregoing shall be for the sole account of the

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Borrower and shall constitute Obligations hereunder. In no event shall Borrower's election under the provisions of this SECTION 13.4 affect its obligation to pay the additional compensation required under either SECTION 13.2 or SECTION 13.3.

ARTICLE XIV
INTENTIONALLY OMITTED

ARTICLE XV
MISCELLANEOUS

15.1. ASSIGNMENTS AND PARTICIPATIONS.

(a) ASSIGNMENTS. No assignments or participations of any Lender's rights or obligations under this Agreement shall be made except in accordance with this SECTION 15.1. Each Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including

all of its rights and obligations with respect to the Loans) in accordance with the provisions of this SECTION 15.1.

(b) LIMITATIONS ON ASSIGNMENTS. For so long as no Event of Default has occurred and is continuing, each assignment shall be subject to the following conditions: (i) each assignment shall be of a constant, and not a varying, ratable percentage of all of the assigning Lender's rights and obligations under this Agreement and, in the case of a partial assignment, shall be in a minimum principal amount of \$5,000,000, (ii) each such assignment shall be to an Eligible Assignee, and (iii) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance. Upon the occurrence and continuance of an Event of Default, none of the foregoing restrictions on assignments shall apply. Upon such execution, delivery, acceptance and recording in the Register, from and after the effective date specified in each Assignment and Acceptance and agreed to by the Administrative Agent, (A) the assignee thereunder shall, in addition to any rights and obligations hereunder held by it immediately prior to such

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effective date, if any, have the rights and obligations hereunder that have been assigned to it pursuant to such Assignment and Acceptance and shall, to the fullest extent permitted by law, have the same rights and benefits hereunder as if it were an original Lender hereunder, (B) the assigning Lender shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of such assigning Lender's rights and obligations under this Agreement, the assigning Lender shall cease to be a party hereto) and (C) the Borrower shall execute and deliver to the assignee thereunder a Note evidencing its obligations to such assignee with respect to the Loans.

(c) THE REGISTER. The Administrative Agent shall maintain at its address referred to in SECTION 15.8 a copy of each Assignment and Acceptance delivered to and accepted by it and a register (the "REGISTER") for the recordation of the names and addresses of the Lenders, the Commitment of, and the principal amount of the Loans under the Commitments owing to, each Lender from time to time and whether such Lender is an original Lender or the assignee of another Lender pursuant to an Assignment and Acceptance. The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower and each of its Subsidiaries, the Administrative Agent and the other Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) FEE. Upon its receipt of an Assignment and Acceptance executed by the assigning Lender and an Eligible Assignee and a processing and recordation fee of \$3,500 (payable by the assignee to the Administrative Agent), the Administrative Agent shall, if such Assignment and Acceptance has been completed and is in compliance with this Agreement and in substantially the form of EXHIBIT A hereto, (i) accept such Assignment and Acceptance, (ii) record the

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information contained therein in the Register and (iii) give prompt notice thereof to the Borrower and the other Lenders.

(e) PARTICIPATIONS. Each Lender may sell participations to one or more other entities in or to all or a portion of its rights and obligations under and in respect of any and all facilities under this Agreement (including, without limitation, all or a portion of any or all of its Commitment hereunder and the Loans owing to it); PROVIDED, HOWEVER, that (i) such Lender's obligations under this Agreement (including, without limitation, its Commitment hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, (iv) each participation shall be in a minimum amount of \$5,000,000, and (v) such participant's rights to agree or to restrict such Lender's ability to agree to the modification, waiver or release of any of the terms of the Loan Documents, to consent to any action or failure to act by any party to any of the Loan Documents or any of their respective Affiliates, or to exercise or refrain from exercising any powers or rights which any Lender may have under or in respect of the Loan Documents, shall be limited to the right to consent to (A) increase in the Commitment of the Lender from whom such participant purchased a participation, (B) reduction of the principal of, or rate or amount of interest on the Loans subject to such participation (other than by the payment or prepayment thereof), (C) postponement of any date fixed for any payment of principal of, or interest on, the Loan(s) subject to such participation and (D) release of any guarantor of the Obligations.

(f) INTENTIONALLY OMITTED.

(g) INFORMATION REGARDING THE BORROWER. Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this SECTION 15.1, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower or its Subsidiaries furnished to such Lender by the Administrative Agent or by or

Borrower; PROVIDED that, prior to any such disclosure, such assignee or participant, or proposed assignee or participant, shall agree, in writing, to preserve in accordance with SECTION 15.20 the confidentiality of any confidential information described therein.

(h) SPC ASSIGNMENT. Notwithstanding anything to the contrary contained herein, any Lender (a "GRANTING LENDER") may grant to a special purpose funding vehicle (a "SPC"), identified in writing from time to time by the Granting Lender to the Administrative Agent, the option to purchase from the Granting Lender all or any part of any Loan that such Granting Lender would otherwise be obligated to make as provided herein, PROVIDED that (i) nothing herein shall constitute a commitment to purchase any Loan by any SPC, and (ii) if a SPC elects not to exercise such option or otherwise fails to fund all or any part of such Loan, the Granting Lender shall be obligated to fund such Loan pursuant to the terms hereof. The funding of a Loan by a SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were funded by such Granting Lender. Each party hereby agrees that no SPC shall be liable for any indemnity or payment under this Agreement for which a Lender would otherwise be liable, for so long as, and to the extent, the Granting Lender provides such indemnity or makes such payment. In furtherance of the foregoing, each party hereto hereby agrees that, prior to the date that is one year and one day after the payment in full of all outstanding Loans of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or similar proceedings under the laws of the United States. Notwithstanding anything to the contrary contained in this Agreement, the Granting Lender may disclose to a SPC and any SPC may disclose to any Rating Agency or provider of any surety or guarantee to such SPC any information relating to the SPC's funding of Loans, all on a confidential basis. This clause (h) may not be amended without the prior written consent of each Granting Lender, all or any part of whose Loans are being funded by a SPC at the time of such amendment.

(i) PAYMENT TO PARTICIPANTS. Anything in this Agreement to the contrary notwithstanding, in the case of any participation, all amounts payable by the Borrower under the Loan Documents shall be calculated and made in the manner and to the parties required hereby as if no such participation had been sold.

(j) LENDERS' CREATION OF SECURITY INTERESTS. Notwithstanding any other provision set forth in this Agreement, any Lender may at any time create a security interest in all or any portion of its rights under this Agreement (including, without limitation, Obligations owing to it and any Note held by it) in favor of any Federal Reserve bank in accordance with Regulation A of the Federal Reserve Board.

15.2. EXPENSES.

(a) GENERALLY. The Borrower agrees upon demand to pay or reimburse the Administrative Agent for all of its reasonable external audit and investigation expenses, and for the fees, expenses and disbursements of Skadden, Arps, Slate, Meagher & Flom LLP (but not of other legal counsel) and for all other out-of-pocket costs and expenses of every type and nature incurred by the Administrative Agent in connection with (i) the audit and investigation of the Consolidated Businesses, the Projects and other Properties of the Consolidated Businesses in connection with the preparation, negotiation, and execution of the Loan Documents; (ii) the preparation, negotiation, execution and interpretation of this Agreement (including, without limitation, the satisfaction or attempted satisfaction of any of the conditions set forth in ARTICLE VI), the Loan Documents, and the making of the Loans hereunder; (iii) the ongoing administration of this Agreement and the Loans, including consultation with attorneys in connection therewith and with respect to the Administrative Agent's rights and responsibilities under this Agreement and the other Loan Documents; (iv) the protection, collection or enforcement of any of the Obligations or the enforcement of any of the Loan Documents; (v) the commencement, defense or intervention in any court proceeding relating in any way to the Obligations, any Project, the Borrower, any of its Subsidiaries, this Agreement or any of the other Loan Documents; (vi) the response to, and preparation for, any subpoena or request for document production

with which the Administrative Agent or any other Agents or any other Lender is served or deposition or other proceeding in which any Lender is called to testify, in each case, relating in any way to the Obligations, a Project, the Borrower, any of the Consolidated Businesses, this Agreement or any of the other Loan Documents; and (vii) any amendments, consents, waivers, assignments, restatements, or supplements to any of the Loan Documents and the preparation, negotiation, and execution of the same.

(b) AFTER DEFAULT. The Borrower further agrees to pay or reimburse the Administrative Agent and each of the Lenders upon demand for all out-of-pocket costs and expenses, including, without limitation, reasonable attorneys' fees (including allocated costs of internal counsel and costs of settlement) incurred

by such entity after the occurrence of an Event of Default (i) in enforcing any Loan Document or Obligation or any security therefor or exercising or enforcing any other right or remedy available by reason of such Event of Default; (ii) in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work-out" or in any insolvency or bankruptcy proceeding; (iii) in commencing, defending or intervening in any litigation or in filing a petition, complaint, answer, motion or other pleadings in any legal proceeding relating to the Obligations, a Project, any of the Consolidated Businesses and related to or arising out of the transactions contemplated hereby or by any of the other Loan Documents; and (iv) in taking any other action in or with respect to any suit or proceeding (bankruptcy or otherwise) described in clauses (i) through (iii) above.

15.3. INDEMNITY. The Borrower further agrees (a) to defend, protect, indemnify, and hold harmless the Administrative Agent and each and all of the other Lenders and each of their respective officers, directors, employees, attorneys and agents (including, without limitation, those retained in connection with the satisfaction or attempted satisfaction of any of the conditions set forth in ARTICLE VI) (collectively, the "INDEMNITEES") from and against any and all liabilities, obligations, losses (other than loss of profits), damages, penalties, actions, judgments, suits, claims, costs, reasonable expenses and disbursements of any

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kind or nature whatsoever (excluding any taxes and including, without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitees shall be designated a party thereto), imposed on, incurred by, or asserted against such Indemnitees in any manner relating to or arising out of (i) this Agreement or the other Loan Documents, or any act, event or transaction related or attendant thereto, the making of the Loans hereunder, the management of such Loans, the use or intended use of the proceeds of the Loans hereunder, or any of the other transactions contemplated by the Loan Documents, or (ii) any Liabilities and Costs relating to violation of any Environmental, Health or Safety Requirements of Law, the past, present or future operations of the Borrower, any of its Subsidiaries or any of their respective predecessors in interest, or, the past, present or future environmental, health or safety condition of any respective Property of the Borrower or any of its Subsidiaries, the presence of asbestos-containing materials at any respective Property of the Borrower or any of its Subsidiaries, or the Release or threatened Release of any Contaminant into the environment (collectively, the "INDEMNIFIED MATTERS"); PROVIDED, HOWEVER, the Borrower shall have no obligation to an Indemnitee hereunder with respect to Indemnified Matters caused by or resulting from the willful misconduct or gross negligence of such Indemnitee, as determined by a court of competent jurisdiction in a non-appealable final judgment; and (b) not to assert any claim against any of the Indemnitees, on any theory of liability, for consequential or punitive damages arising out of, or in any way in connection with, the Commitments, the Obligations, or the other matters governed by this Agreement and the other Loan Documents. To the extent that the undertaking to indemnify, pay and hold harmless set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, the Borrower shall contribute the maximum portion which it is permitted to pay and satisfy under applicable law, to the payment and satisfaction of all Indemnified Matters incurred by the Indemnitees.

15.4. CHANGE IN ACCOUNTING PRINCIPLES. If any change in the accounting principles used in the preparation of the most recent financial statements referred to in

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SECTIONS 8.1 or 8.2 are hereafter required or permitted by the rules, regulations, pronouncements and opinions of the Financial Accounting Standards Board or the American Institute of Certified Public Accountants (or successors thereto or agencies with similar functions) and are adopted by any General Partner or the Borrower, as applicable, with the agreement of its independent certified public accountants and such changes result in a change in the method of calculation of any of the covenants, standards or terms found in ARTICLE X, the parties hereto agree to enter into negotiations in order to amend such provisions so as to equitably reflect such changes with the desired result that the criteria for evaluating compliance with such covenants, standards and terms by the Borrower shall be the same after such changes as if such changes had not been made; PROVIDED, HOWEVER, no change in GAAP that would affect the method of calculation of any of the covenants, standards or terms shall be given effect in such calculations until such provisions are amended, in a manner satisfactory to the Administrative Agent and the Borrower, to so reflect such change in accounting principles.

15.5. SETOFF. In addition to any Liens granted under the Loan Documents and any rights now or hereafter granted under applicable law, upon the occurrence and during the continuance of any Event of Default, each Lender and any Affiliate of any Lender is hereby authorized by the Borrower at any time or from time to time, without notice to any Person (any such notice being hereby expressly waived) to set off and to appropriate and to apply any and all deposits (general or special, including, but not limited to, indebtedness evidenced by certificates of deposit, whether matured or unmatured (but not including trust accounts)) and any other Indebtedness at any time held or owing by such Lender or any of its Affiliates to or for the credit or the account of the Borrower against and on account of the Obligations of the Borrower to such Lender or any of its Affiliates, including, but not limited to, all Loans and

all claims of any nature or description arising out of or in connection with this Agreement, irrespective of whether or not (i) such Lender shall have made any demand hereunder or (ii) the Administrative Agent, at the request or with the consent of the Requisite Lenders, shall have declared the principal of and interest on the Loans and other amounts due hereunder to

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be due and payable as permitted by ARTICLE XI and even though such Obligations may be contingent or unmatured. Each Lender agrees that it shall not, without the express consent of the Requisite Lenders, and that it shall, to the extent it is lawfully entitled to do so, upon the request of the Requisite Lenders, exercise its setoff rights hereunder against any accounts of the Borrower now or hereafter maintained with such Lender or any Affiliate.

15.6. RATABLE SHARING. The Lenders agree among themselves that (i) with respect to all amounts received by them which are applicable to the payment of the Obligations (excluding the fees described in SECTIONS 5.2(f), and 5.3 and ARTICLE XIII) equitable adjustment will be made so that, in effect, all such amounts will be shared among them ratably in accordance with their Pro Rata Shares, whether received by voluntary payment, by the exercise of the right of setoff or banker's lien, by counterclaim or cross-action or by the enforcement of any or all of the Obligations (excluding the fees described in SECTIONS 5.2(f), and 5.3 and ARTICLE XIII), (ii) if any of them shall by voluntary payment or by the exercise of any right of counterclaim, setoff, banker's lien or otherwise, receive payment of a proportion of the aggregate amount of the Obligations held by it, which is greater than the amount which such Lender is entitled to receive hereunder, the Lender receiving such excess payment shall purchase, without recourse or warranty, an undivided interest and participation (which it shall be deemed to have done simultaneously upon the receipt of such payment) in such Obligations owed to the others so that all such recoveries with respect to such Obligations shall be applied ratably in accordance with their Pro Rata Shares; PROVIDED, HOWEVER, that if all or part of such excess payment received by the purchasing party is thereafter recovered from it, those purchases shall be rescinded and the purchase prices paid for such participations shall be returned to such party to the extent necessary to adjust for such recovery, but without interest except to the extent the purchasing party is required to pay interest in connection with such recovery. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this SECTION 15.6 may, to the fullest extent permitted by law, exercise all its rights of payment (including, subject to SECTION 15.5, the right of setoff) with respect to such

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participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

15.7. AMENDMENTS AND WAIVERS.

(a) GENERAL PROVISIONS. Unless otherwise provided for or required in this Agreement, no amendment or modification of any provision of this Agreement or any of the other Loan Documents shall be effective without the written agreement of the Requisite Lenders (which the Requisite Lenders shall have the right to grant or withhold in their sole discretion) and the Borrower; PROVIDED, HOWEVER, that the Borrower's agreement shall not be required for any amendment or modification of SECTIONS 12.1 through 12.8. No termination or waiver of any provision of this Agreement or any of the other Loan Documents, or consent to any departure by the Borrower therefrom, shall be effective without the written concurrence of the Requisite Lenders, which the Requisite Lenders shall have the right to grant or withhold in their sole discretion. All amendments, waivers and consents not specifically reserved to the Administrative Agent or the other Lenders in SECTION 15.7(b), 15.7(c), and in other provisions of this Agreement shall require only the approval of the Requisite Lenders. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

(b) AMENDMENTS, CONSENTS AND WAIVERS BY AFFECTED LENDERS. Any amendment, modification, termination, waiver or consent with respect to any of the following provisions of this Agreement shall be effective only by a written agreement, signed by each Lender affected thereby as described below:

(i) waiver of any of the conditions specified in SECTIONS 6.1 and 6.2 (except with respect to a condition based upon another provision of this Agreement, the waiver of which requires only the concurrence of the Requisite Lenders),

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(ii) increase in the amount of such Lender's Commitment,

(iii) reduction of the principal of, rate or amount of interest on the Loans, or any fees or other amounts payable to such Lender (other than by the payment or prepayment thereof), and

(iv) postponement or extension of any date (other than the Termination Date postponement or extension of which is governed by SECTION 15.7(c)(i)) fixed for any payment of principal of, or interest on, the Loans or any fees or

other amounts payable to such Lender (except with respect to any modifications of the application provisions relating to prepayments of Loans and other Obligations which are governed by SECTION 4.2(b)).

(c) AMENDMENTS, CONSENTS AND WAIVERS BY ALL LENDERS. Any amendment, modification, termination, waiver or consent with respect to any of the following provisions of this Agreement shall be effective only by a written agreement, signed by each Lender:

(i) postponement of the Termination Date, or increase in the aggregate Commitments to any amount in excess of \$150,000,000,

(ii) change in the definition of Requisite Lenders or in the aggregate Pro Rata Share of the Lenders which shall be required for the Lenders or any of them to take action hereunder or under the other Loan Documents,

(iii) amendment of SECTION 15.6 or this SECTION 15.7,

(iv) assignment of any right or interest in or under this Agreement or any of the other Loan Documents by the Borrower, and

(v) waiver of any Event of Default described in SECTIONS 11.1(a), (f), (g), (i), (n), and (o).

(d) ADMINISTRATIVE AGENT AUTHORITY. The Administrative Agent may, but shall have no obligation to, with the

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written concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of that Lender. Notwithstanding anything to the contrary contained in this SECTION 15.7, no amendment, modification, waiver or consent shall affect the rights or duties of the Administrative Agent under this Agreement and the other Loan Documents, unless made in writing and signed by the Administrative Agent in addition to the Lenders required above to take such action. Notwithstanding anything herein to the contrary, in the event that the Borrower shall have requested, in writing, that any Lender agree to an amendment, modification, waiver or consent with respect to any particular provision or provisions of this Agreement or the other Loan Documents, and such Lender shall have failed to state, in writing, that it either agrees or disagrees (in full or in part) with all such requests (in the case of its statement of agreement, subject to satisfactory documentation and such other conditions it may specify) within thirty (30) days after such Lender receives such request, then such Lender hereby irrevocably authorizes the Administrative Agent to agree or disagree, in full or in part, and in the Administrative Agent's sole discretion, to such requests on behalf of such Lender as such Lenders' attorney-in-fact and to execute and deliver any writing approved by the Administrative Agent which evidences such agreement as such Lender's duly authorized agent for such purposes.

15.8. NOTICES. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, sent by facsimile transmission or by courier service and shall be deemed to have been given when delivered in person or by courier service, or upon receipt of a facsimile transmission. Notices to the Administrative Agent pursuant to ARTICLES II, IV or XII shall not be effective until received by the Administrative Agent. For the purposes hereof, the addresses of the parties hereto (until notice of a change thereof is delivered as provided in this SECTION 15.8) shall be as set forth below each party's name on the signature pages hereof or the signature page of any applicable Assignment and Acceptance, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties to this Agreement.

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15.9. SURVIVAL OF WARRANTIES AND AGREEMENTS. All representations and warranties made herein and all obligations of the Borrower in respect of taxes, indemnification and expense reimbursement shall survive the execution and delivery of this Agreement and the other Loan Documents, the making and repayment of the Loans and the termination of this Agreement and shall not be limited in any way by the passage of time or occurrence of any event and shall expressly cover time periods when the Administrative Agent, any of the other Agents or any of the other Lenders may have come into possession or control of any Property of the Borrower or any of its Subsidiaries.

15.10. FAILURE OR INDULGENCE NOT WAIVER; REMEDIES CUMULATIVE. No failure or delay on the part of the Administrative Agent, any other Lender or any other Agent in the exercise of any power, right or privilege under any of the Loan Documents shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. All rights and remedies existing under the Loan Documents are cumulative to and not exclusive of any rights or remedies otherwise available.

15.11. MARSHALLING; PAYMENTS SET ASIDE. None of the Administrative Agent or any other Lender shall be under any obligation to marshal any assets in favor of the Borrower or any other party or against or in payment of any or all of the Obligations. To the extent that the Borrower makes a payment or payments to the Administrative Agent or any other Lender or any such Person

exercises its rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, right and remedies therefor, shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

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15.12. SEVERABILITY. In case any provision in or obligation under this Agreement or the other Loan Documents shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

15.13. HEADINGS. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement or be given any substantive effect.

15.14. GOVERNING LAW. THIS AGREEMENT SHALL BE INTERPRETED, AND THE RIGHTS AND LIABILITIES OF THE PARTIES HERETO DETERMINED, IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ITS CONFLICT OF LAWS PRINCIPLES.

15.15. LIMITATION OF LIABILITY. No claim may be made by any Lender, the Administrative Agent, or any other Person against any Lender (acting in any capacity hereunder) or the Affiliates, directors, officers, employees, attorneys or agents of any of them for any consequential or punitive damages in respect of any claim for breach of contract or any other theory of liability arising out of or related to the transactions contemplated by this Agreement, or any act, omission or event occurring in connection therewith; and each Lender and the Administrative Agent hereby waives, releases and agrees not to sue upon any such claim for any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

15.16. SUCCESSORS AND ASSIGNS. This Agreement and the other Loan Documents shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and permitted assigns of the Lenders. The rights hereunder of the Borrower, or any interest therein, may not be assigned without the prior written consent of all Lenders, except in accordance with the provisions of Article XIV hereof.

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15.17. CERTAIN CONSENTS AND WAIVERS OF THE BORROWER.

(a) PERSONAL JURISDICTION. (i) EACH OF THE LENDERS AND THE BORROWER IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF ANY NEW YORK STATE COURT OR FEDERAL COURT SITTING IN NEW YORK, NEW YORK, AND ANY COURT HAVING JURISDICTION OVER APPEALS OF MATTERS HEARD IN SUCH COURTS, IN ANY ACTION OR PROCEEDING ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT, WHETHER ARISING IN CONTRACT, TORT, EQUITY OR OTHERWISE, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. THE BORROWER IRREVOCABLY DESIGNATES AND APPOINTS CT CORPORATION SYSTEM, 1633 BROADWAY, NEW YORK, NEW YORK 10019, AS ITS AGENT (THE "PROCESS AGENT") FOR SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT, SUCH SERVICE BEING HEREBY ACKNOWLEDGED TO BE EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT. EACH OF THE LENDERS AND THE BORROWER AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. THE BORROWER WAIVES IN ALL DISPUTES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT CONSIDERING THE DISPUTE.

(ii) THE BORROWER AGREES THAT THE Administrative Agent SHALL HAVE THE RIGHT TO PROCEED AGAINST THE BORROWER OR ITS PROPERTY IN A COURT IN ANY LOCATION NECESSARY OR APPROPRIATE TO ENABLE THE ADMINISTRATIVE AGENT AND THE OTHER LENDERS TO ENFORCE A JUDGMENT OR OTHER COURT ORDER ENTERED IN FAVOR OF THE ADMINISTRATIVE AGENT OR ANY OTHER LENDER. THE BORROWER AGREES THAT IT WILL NOT ASSERT ANY PERMISSIVE COUNTERCLAIMS IN ANY PROCEEDING BROUGHT BY THE ADMINISTRATIVE AGENT OR ANY LENDER TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF THE ADMINISTRATIVE AGENT OR ANY LENDER. THE BORROWER WAIVES ANY OBJECTION THAT IT MAY HAVE TO THE LOCATION OF THE COURT IN WHICH THE ADMINISTRATIVE AGENT OR ANY LENDER MAY COMMENCE A PROCEEDING DESCRIBED IN THIS SECTION.

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(b) SERVICE OF PROCESS. THE BORROWER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE PROCESS AGENT OR THE BORROWER'S NOTICE ADDRESS SPECIFIED BELOW, SUCH SERVICE TO BECOME EFFECTIVE UPON RECEIPT. THE BORROWER IRREVOCABLY WAIVES ANY OBJECTION (INCLUDING, WITHOUT LIMITATION, ANY OBJECTION OF THE LAYING

OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS) WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY JURISDICTION SET FORTH ABOVE. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF THE Administrative Agent OR THE OTHER LENDERS TO BRING PROCEEDINGS AGAINST THE BORROWER IN THE COURTS OF ANY OTHER JURISDICTION.

(c) WAIVER OF JURY TRIAL. EACH OF THE ADMINISTRATIVE AGENT AND THE OTHER LENDERS AND THE BORROWER IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT.

15.18. COUNTERPARTS; EFFECTIVENESS; INCONSISTENCIES. This Agreement and any amendments, waivers, consents, or supplements hereto may be executed in counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. This Agreement shall become effective against the Borrower and each Lender on the Closing Date. This Agreement and each of the other Loan Documents shall be construed to the extent reasonable to be consistent one with the other, but to the extent that the terms and conditions of this Agreement are actually inconsistent with the terms and conditions of any other Loan Document, this Agreement shall govern.

15.19. LIMITATION ON AGREEMENTS. All agreements between the Borrower, the Administrative Agent and each Lender in the Loan Documents are hereby expressly limited so that in no event shall any of the Loans or other amounts payable by the Borrower under any of the Loan Documents be directly or indirectly secured (within the meaning of Regulation U) by Margin Stock.

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15.20. CONFIDENTIALITY. Subject to SECTION 15.1(g), the Lenders shall hold all nonpublic information obtained pursuant to the requirements of this Agreement, and identified as such by the Borrower, in accordance with such Lender's customary procedures for handling confidential information of this nature and in accordance with safe and sound banking practices (provided that such Lender may share such information with its Affiliates in accordance with such Lender's customary procedures for handling confidential information of this nature and provided further that such Affiliate shall hold such information confidential) and in any event the Lenders may make disclosure reasonably required by a bona fide offeree, transferee or participant in connection with the contemplated transfer or participation or as required or requested by any Governmental Authority or representative thereof or pursuant to legal process and shall require any such offeree, transferee or participant to agree (and require any of its offerees, transferees or participants to agree) to comply with this SECTION 15.20. In no event shall any Lender be obligated or required to return any materials furnished by the Borrower; PROVIDED, HOWEVER, each offeree shall be required to agree that if it does not become a transferee or participant it shall return all materials furnished to it by the Borrower in connection with this Agreement. Any and all confidentiality agreements entered into between any Lender and the Borrower shall survive the execution of this Agreement.

15.21. DISCLAIMERS. The Administrative Agent and the other Lenders shall not be liable to any contractor, subcontractor, supplier, laborer, architect, engineer, tenant or other party for services performed or materials supplied in connection with any work performed on the Projects, including any TI Work. The Administrative Agent and the other Lenders shall not be liable for any debts or claims accruing in favor of any such parties against the Borrower or others or against any of the Projects. The Borrower is not and shall not be an agent of any of the Administrative Agent or the other Lenders for any purposes and none of the Lenders or the Administrative Agent shall be deemed partners or joint venturers with Borrower or any of its Affiliates. None of the Administrative Agent or the other Lenders shall be deemed to be in privity of contract with any contractor or provider of services to any Project,

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nor shall any payment of funds directly to a contractor or subcontractor or provider of services be deemed to create any third party beneficiary status or recognition of same by any of the Administrative Agent or the other Lenders and the Borrower agrees to hold the Administrative Agent and the other Lenders harmless from any of the damages and expenses resulting from such a construction of the relationship of the parties or any assertion thereof.

15.22. INTENTIONALLY OMITTED.

15.23. RETAINED PROPERTIES. Notwithstanding anything contained in this Agreement to the contrary, the Company or any Subsidiary thereof will retain direct or indirect ownership of the Retained Properties, or, if the Company shall elect to sell or otherwise transfer any of the Retained Properties, it shall retain any and all proceeds received in connection therewith, and will not contribute any portion thereof to the Borrower or any other entity or distribute any portion thereof to any of its shareholders.

15.24. ENTIRE AGREEMENT. This Agreement, taken together with all of the other Loan Documents, embodies the entire agreement and understanding among the parties hereto and supersedes all prior agreements and understandings, written and oral, relating to the subject matter hereof.

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IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first above written.

BORROWER: SIMON PROPERTY GROUP, L.P.,
a Delaware limited partnership
By: SIMON PROPERTY GROUP, INC.,
as Managing General Partner
By: -----
David Simon
Chief Executive Officer

NOTICE ADDRESS:
Merchants Plaza
P.O. Box 7033
Indianapolis, Indiana 46207
Attn: Mr. David Simon
Telecopy: (317) 263-7037

with a copy to:
Simon Property Group, L.P.
Merchants Plaza
P.O. Box 7033
Indianapolis, Indiana 46207
Attn: General Counsel
Telecopy: (317) 685-7221

ADMINISTRATIVE AGENT: COMMERZBANK AKTIENGESELLSCHAFT,
NEW YORK BRANCH
By: -----
Name:
Title:

By: -----
Name:
Title:

Notice Address, Domestic
Lending Office and Eurodollar
LENDING OFFICE:

Commerzbank AG

Attn:
Telecopy:

Pro Rata Share: 33.333%
Commitment: \$50,000,000

JPMORGAN CHASE BANK

By: -----
Name:
Title:

Pro Rata Share: 23.333%
Commitment: \$35,000,000

BAYERISCHE HYPO - UND
----- VEREINSBANK AG, ACTING
THROUGH ITS NEW YORK BRANCH
By: -----
Name:
Title:

By: -----
Name:
Title:

Pro Rata Share: 10%
Commitment: \$15,000,000

BAYERISCHE LANDESBANK AG

By:

Name:
Title:

By:

Name:
Title:

Pro Rata Share: 10%

Commitment: \$15,000,000

NATIONAL CITY BANK

By:

Name:
Title:

Pro Rata Share: 16.667%

Commitment: \$25,000,000

COMERICA BANK

By:

Name:
Title:

Pro Rata Share: 6.667%

Commitment: \$10,000,000

LIST OF EXHIBITS AND SCHEDULES

Exhibit A-- Form of Assignment and Acceptance
Exhibit B-- Form of Note
Exhibit C-- Form of Notice of Borrowing
Exhibit D-- Form of Notice of Conversion/Continuation
Exhibit E-- List of Closing Documents
Exhibit F-- Form of Officer's Certificate
Exhibit G-- Sample Calculations of Financial Covenants
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List of Subsidiaries of the SPG Operating Partnership

Subsidiary	Jurisdiction
The Retail Property Trust	Massachusetts
Simon Property Group (Illinois), L.P.	Illinois
Simon Property Group (Texas), L.P.	Texas
Shopping Center Associates	New York
DeBartolo Capital Partnership	Delaware
Simon Capital Limited Partnership	Delaware
SDG Macerich Properties, L.P.	Delaware
M.S. Management Associates, Inc.	Delaware
M.S. Management Associates (Indiana), Inc.	Indiana
DeBartolo Properties Management, Inc.	Ohio
Mayflower Realty LLC	Delaware
Rosewood Indemnity, Ltd.	Bermuda

Omits names of subsidiaries which as of December 31, 2001 were not, in the aggregate, a "significant subsidiary".

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports, included in this Form 10-K, into Simon Property Group, L.P.'s previously filed Registration Statement File No. 333-68940.

ARTHUR ANDERSEN LLP

Indianapolis, Indiana,
March 28, 2002.

QuickLinks

[EXHIBIT 23.1](#)

Simon Property Group, L.P.
National City Center
115 West Washington Street, Suite 15
Indianapolis, Indiana

March 28, 2002

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Ladies and Gentlemen:

In connection with the delivery of the Report of Independent Public Accountants, dated March 28, 2002 issued by Arthur Andersen LLP ("Andersen") relating to Andersen's audit of the consolidated financial statements of Simon Property Group, L.P. (the "Company") and subsidiaries included in Item 8, Part II of this Annual Report on Form 10-K, Andersen has represented to the Company that the audit was subject to Andersen's quality control system for the U.S. accounting and auditing practice to provide reasonable assurance that the engagement was conducted in compliance with professional standards, and that there was appropriate continuity of Andersen personnel working on the audit, availability of national office consultation and availability of personnel at foreign affiliates of Andersen to conduct the relevant portions of the audit.

Very truly yours,

Simon Property Group, L.P.

By: Simon Property Group, Inc.

Managing General Partner

By: /s/ DAVID SIMON

David Simon
Chief Executive Officer