

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2000

Commission file number 333-11491

SIMON PROPERTY GROUP, L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

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

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

46204
(Zip Code)

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

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 /x/ 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 Annual Meeting of Shareholders to be held on May 8, 2001 are incorporated by reference in Part III.

SIMON PROPERTY GROUP, L.P. Annual Report on Form 10-K December 31, 2000

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Part I

Item 1. Business

Background and Description of the Business

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 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 partnership interests ("Units") in the SPG Operating Partnership are paired with a Unit in SPG Realty Consultants, L.P. (the "SRC Operating Partnership"). The SRC Operating Partnership is the primary subsidiary of SRC.

As of December 31, 2000, the SPG Operating Partnership owned or held an interest in 251 income-producing properties in the United States, which consisted of 164 regional malls, 73 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"), and five additional retail real estate properties operating in Europe. The SPG Operating Partnership also owned an interest in two properties currently under construction and 11 parcels of land held for future development, which together with the Properties are hereafter referred to as the "Portfolio" or the "Portfolio Properties."

Mergers and Acquisitions

Mergers and acquisitions have been a significant component of the growth and development of the SPG Operating Partnership's business. Beginning with the \$3.0 billion acquisition, through merger, of DeBartolo Realty Corporation ("DRC") in August of 1996, affiliates of the SPG Operating Partnership have completed five major mergers and/or acquisitions that have helped shape their current organization. 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, 4, and 5 (acquisitions portion only), included in Item 8 of this Form 10-K.

General

During 2000, regional malls (including specialty retail centers and retail space in the mixed-use Properties), community centers and the remaining Portfolio comprised 92.4%, 4.7%, and 2.9%, respectively of consolidated rent revenues and tenant reimbursements. The Properties contain an aggregate of approximately 184.7 million square feet of GLA, of which 109.5 million square feet is owned by the SPG Operating Partnership ("Owned GLA"). More than 4,200 different retailers occupy more than 20,400 stores in the Properties. Total estimated retail sales at the Properties in 2000 were approximately \$38 billion.

Operating Strategies

The SPG Operating Partnership's primary business objectives are to increase cash generated from operations per Unit and the value of the Portfolio Properties. The SPG Operating Partnership plans to achieve these objectives through a variety of methods discussed below, although no assurance can be made that such objectives will be achieved.

Leasing. The SPG Operating Partnership pursues an active leasing strategy, which includes aggressively marketing available space; renewing existing leases at higher base rents per square foot; and continuing to sign leases that provide for percentage rents and/or regular or periodic fixed contractual increases in base rents.

Management. Drawing upon the expertise gained through management of a geographically diverse Portfolio nationally recognized as high quality retail and mixed-use Properties, the SPG Operating Partnership seeks to maximize cash flow through a combination of an active merchandising program to maintain its shopping centers as inviting shopping destinations, continuation of its successful efforts to minimize overhead and operating costs, coordinated marketing and promotional activities directed towards establishing and maintaining customer loyalty, and systematic planning and monitoring of results.

E-Commerce. The SPG Operating Partnership is developing unique programs designed to take advantage of new retail opportunities of the digital age. Elements of the strategy include digitizing the existing assets of the Properties by implementing internet web sites for each of the Properties, creating products that leverage the digitalization of consumers and Simon merchants through an enhanced broadband network called MerchantWired, LLC.

Acquisitions. The SPG Operating Partnership may selectively acquire individual properties and portfolios of properties that meet its investment criteria as opportunities arise. Management believes, however, that due to the rapid consolidation of the regional mall business, coupled with the current status of the capital markets, that acquisition activity in the near term will be a less significant component of the SPG Operating Partnership's growth strategy.

Development in North America. The SPG Operating Partnership's strategy is to selectively develop new properties in major metropolitan areas that exhibit strong population and economic growth. During 2000, the SPG Operating Partnership opened one specialty center, and one value-oriented super-regional mall. These additions added approximately 1.7 million square feet of GLA to the Portfolio at a cost to the SPG Operating Partnership of approximately \$162 million. The SPG Operating Partnership also has two additional projects under construction, which are scheduled to open in 2001.

Strategic Expansions and Renovations. A key objective of the SPG Operating Partnership is to increase the profitability and market share of the Properties through the completion of strategic renovations and expansions. During 2000, the SPG Operating Partnership invested approximately \$202 million on redevelopment projects and completed five major redevelopment projects. The SPG Operating Partnership has a number of renovation and/or expansion projects currently under construction, or in preconstruction development.

The SPG Operating Partnership also has direct or indirect interests in eleven parcels of land being held for future development in eight states totaling approximately 772 acres. Management believes the SPG Operating Partnership is well positioned to pursue future development opportunities as conditions warrant.

International Expansion. The SPG Operating Partnership's management believes the expertise it has gained through the development and management of its domestic Portfolio can be utilized in retail properties throughout the world. The SPG Operating Partnership intends to continue pursuing international opportunities on a selected basis to enhance the value of its Units.

B2B and B2C Initiatives. SPG recently formed Simon Brand Ventures, LLC ("SBV"), a business to consumer initiative, and Simon Business Network ("SBN"), a business-to-business initiative to continue to take advantage of the SPG Operating Partnership's size and tenant relationships, primarily through strategic corporate alliances. SBV is focused on leveraging the SPG Operating Partnership's 100 million unique shoppers and their 2 billion annual shopping visits to contribute to the SPG Operating Partnership's second-curve revenue strategy. The SBV concept and initiatives were started in 1997 to create an exciting new medium for connecting consumers with retailers and sponsors by developing a unique and compelling combination of shopping, entertainment and community. SBN is

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focused on leveraging the SPG Operating Partnership's assets to create new businesses which will drive greater value to its Portfolio Properties, retailers and other developers and generate new sources of revenue for the SPG Operating Partnership. SBN's strategy is to provide a competitively valued, broad-based offering of products and services via a unique and dominant business-to-business marketplace and service network focused on the real estate industry and their tenants. Effective January 1, 2001, SBV became a wholly-owned subsidiary of the SPG Operating Partnership.

Competition

The SPG Operating Partnership believes that it has a competitive advantage in the retail real estate business as a result of (i) the size, quality and diversity of its Properties, (ii) its use of innovative retailing concepts, (iii) its management and operational expertise, (iv) its extensive experience and relationships with retailers and lenders, (v) the mall marketing initiatives of SBV, which the SPG Operating Partnership believes is the world's largest and most sophisticated mall marketing initiative, and (vi) the B2B initiatives of SBN. Management believes that the Properties are the largest, as measured by GLA, of any publicly traded retail real estate owner, with more regional malls than any other publicly traded retail real estate owner. For these reasons, management believes the SPG Operating Partnership to be the leader in the industry.

All of the Portfolio Properties are located in developed areas. With respect to certain of such properties, there are other properties of the same type within the market area. The existence of competitive properties could have a material adverse effect on the SPG Operating Partnership's ability to lease space and on the level of rents the SPG Operating Partnership can obtain.

There are numerous commercial developers, real estate companies and other owners of real estate that compete with the SPG Operating Partnership in its 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 the SPG Operating Partnership and its competitors develop and manage.

Environmental Matters

General Compliance. Management believes 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 (see Item 3. Legal Proceedings). 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. The Phase I environmental audits are intended to discover information regarding, and to evaluate the environmental condition of, the surveyed properties and surrounding properties. The environmental audits have not revealed, nor is management aware of, any environmental liability that management believes will have a material adverse effect on the SPG Operating Partnership. No assurance can be given that existing environmental studies with respect to the Portfolio Properties reveal all potential environmental liabilities; that any previous owner, occupant or tenant of a Portfolio Property did not create any material environmental condition not known to management; that 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 that future uses or condition (including, without limitation, changes in applicable environmental laws and regulations or the interpretation thereof) will not result in imposition of additional environmental liability.

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 are generally in good condition. Fireproofing and insulation containing asbestos is also present in certain Properties in

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limited concentrations or in limited areas. The presence of such asbestos-containing materials does not violate currently applicable laws. The SPG Operating Partnership will remove asbestos-containing materials in the ordinary course of any renovation, reconstruction and expansion, and in connection with the

retenanting 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. All 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 ongoing or scheduled to be conducted at such Properties. The cost of remediation with respect to such matters has not been and is not expected to be material.

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, the SPG Operating Partnership will conduct environmental due diligence consistent with past practice.

Employees

The SPG Operating Partnership and its affiliates employ approximately 5,370 persons at various centers and offices throughout the United States, of which 2,590 are part-time. Approximately 930 employees are located at the SPG Operating Partnership's headquarters.

Insurance

The SPG Operating Partnership has comprehensive liability, fire, flood, extended coverage and rental loss insurance with respect to its Properties. Management believes that such insurance provides adequate coverage.

Corporate Headquarters

The SPG Operating Partnership's 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, 2000.

Name	Age	Position
Melvin Simon(1)	74	Co-Chairman
Herbert Simon(1)	66	Co-Chairman
David Simon(1)	39	Chief Executive Officer
Hans C. Mautner	62	Vice Chairman; Chairman, Simon Global Limited
Richard S. Sokolov	51	President and Chief Operating Officer
Randolph L. Foxworthy	56	Executive Vice President—Corporate Development
William J. Garvey	61	Executive Vice President—Property Development
James A. Napoli	54	Executive Vice President—Leasing
John R. Neutzling	48	Executive Vice President—Property Management
James M. Barkley	49	General Counsel; Secretary
Stephen E. Sterrett	45	Executive Vice President and Chief Financial Officer
Drew Sheinman	43	President—Simon Brand Ventures
Joseph S. Mumphrey	49	President—Simon Business Network
John Rulli	44	Senior Vice President and Chief Administrative Officer
Andrew A. Juster	48	Senior Vice President and Treasurer
David Schacht	37	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 and have served SPG's predecessor since its formation in 1993, with the exception of Mr. Mautner, who has held his office since 1998 and Mr. Sokolov, who has held his office since 1996. 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.

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.

Item 2. Properties

Portfolio Properties

The Properties primarily consist of two types: 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. The 164 regional malls in the Properties range in size from approximately 200,000 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, 2000, regional malls (including specialty retail centers and retail space in the mixed-use Properties) represented 85.4% of total GLA, 80.4% of Owned GLA and 86.0% of total annualized base rent of the Properties.

Community shopping centers are generally unenclosed and smaller than regional malls. Most of the 73 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: (i) traditional community centers, which focus primarily on value-oriented and convenience goods and services, are usually anchored by a supermarket, drugstore or discount retailer and are designed to service a neighborhood area; and (ii) power centers, which 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, 2000, community shopping centers represented 9.7% of total GLA, 11.6% of Owned GLA and 6.0% of the total annualized base rent of the Properties.

The SPG Operating Partnership also has 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 1,838,000 square feet of GLA and do not have anchors; instead, they 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 1,048,000 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, 2000,

value-oriented super-regional malls represented 3.5% of total GLA, 5.7% of Owned GLA and 5.7% of the total annualized base rent of the Properties.

As of December 31, 2000, approximately 91.8% 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 92.9% of the Owned GLA in the value-oriented super-regional malls was leased, and approximately 91.5% of Owned GLA in the community shopping centers was leased.

Of the 251 Properties, 171 are owned 100% by the SPG Operating Partnership and the remainder are held as joint venture interests. The SPG Operating Partnership is 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, 2000, regarding the Properties:

Name/Location	Ownership Interest (Expiration if Lease)(1)	The SPG Operating Partnership's Percentage Interest(2)	Year Built or Acquired	Total GLA	Retail Anchors(28)
REGIONAL MALLS					
1. Alton Square Alton, IL	Fee	100.0	Acquired 1993	639,200	Sears, JCPenney, Famous Barr
2. Amigoland Mall Brownsville, TX	Fee	100.0	Built 1974	557,855	Ward, Beall's
3. Anderson Mall	Fee	100.0	Built 1972	634,311	Belk(3), JCPenney, Sears

	Anderson, SC					
4.	Apple Blossom Mall Winchester, VA	Fee	49.1	Acquired 1999	442,657	Belk, JCPenney, Sears
5.	Arsenal Mall Watertown, MA	Fee	100.0	Acquired 1999	501,664(4)	Marshall's
6.	Auburn Mall Auburn, MA	Fee	49.1	Acquired 1999	597,809	Filene's, Sears, Caldor(5)
7.	Aurora Mall Aurora, CO	Fee	100.0	Acquired 1998	1,013,706	JCPenney, Foley's(3), Sears
8.	Aventura Mall(6) Miami, FL	Fee	33.3	Built 1983	1,904,240	Macy's, Sears, Bloomingdales, JCPenney, Lord & Taylor, Burdines
9.	Avenues, The Jacksonville, FL	Fee	25.0	Built 1990	1,113,261	Belk, Dillard's, JCPenney, Parisian, Sears
10.	Barton Creek Square Austin, TX	Fee	100.0	Built 1981	1,403,822	Dillard's(3), Foley's, JCPenney, Sears, Ward
11.	Battlefield Mall Springfield, MO	Fee and Ground Lease (2056)	100.0	Built 1970	1,184,464	Dillard's(3), Famous Barr, Ward, Sears, JCPenney
12.	Bay Park Square Green Bay, WI	Fee	100.0	Built 1980	665,633	Elder-Beerman, Kohl's, Ward, Shopko
13.	Bergen Mall Paramus, NJ	Fee and Ground Lease(7) (2061)	100.0	Acquired 1987	920,314	Off 5th-Saks Fifth Avenue Outlet, Value City Furniture, Macy's, Marshall's
14.	Biltmore Square Asheville, NC	Fee	100.0	Built 1989	494,691	Belk, Dillard's, Proffitt's, Goody's
15.	Boynton Beach Mall Boynton Beach, FL	Fee	100.0	Built 1985	1,185,557	Macy's, Burdines, Sears, Dillard's(3), JCPenney
16.	Brea Mall Brea, CA	Fee	100.0	Acquired 1998	1,303,587	Macy's, JCPenney, Robinsons-May, Nordstrom, Sears

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17.	Broadway Square Tyler, TX	Fee	100.0	Acquired 1994	616,986	Dillard's, JCPenney, Sears
18.	Brunswick Square East Brunswick, NJ	Fee	100.0	Built 1973	768,099	Macy's, JCPenney, Barnes & Noble
19.	Burlington Mall Burlington, MA	Ground Lease (2048)	100.0	Acquired 1998	1,251,518	Macy's, Lord & Taylor, Filene's, Sears
20.	Cape Cod Mall Hyannis, MA	Ground Leases(7) (2009-2073)	49.1	Acquired 1999	698,020	Macy's, Filene's, Marshall's, Sears, Best Buy, Barnes & Noble(9)
21.	Castleton Square Indianapolis, IN	Fee	100.0	Built 1972	1,454,489	Galyan's, LS Ayres, Lazarus, JCPenney, Sears, Von Maur
22.	Century III Mall Pittsburgh, PA	Fee	100.0	Built 1979	1,287,721	JCPenney, Sears, T.J. Maxx, Kaufmann's(3), Wickes Furniture
23.	Charlottesville Fashion Square Charlottesville, VA	Ground Lease (2076)	100.0	Acquired 1997	573,789	Belk(3), JCPenney, Sears
24.	Chautauqua Mall Jamestown, NY	Fee	100.0	Built 1971	432,483	Sears, JCPenney, Office Max, The Bon Ton
25.	Cheltenham Square Philadelphia, PA	Fee	100.0	Built 1981	636,437	Burlington Coat Factory, Home Depot, Value City, Seaman's Furniture, Shop Rite
26.	Chesapeake Square Chesapeake, VA	Fee and Ground Lease (2062)(8)	75.0	Built 1989	799,434	Dillard's(3), JCPenney, Sears, Ward, Hecht's
27.	Cielo Vista Mall El Paso, TX	Fee and Ground Lease(10) (2027)	100.0	Built 1974	1,192,172	Dillard's(3), JCPenney, Ward, Sears
28.	Circle Centre Indianapolis, IN	Property Lease (2097)	14.7	Built 1995	794,834	Nordstrom, Parisian
29.	College Mall Bloomington, IN	Fee and Ground Lease(10) (2048)	100.0	Built 1965	707,346	Sears, Lazarus, L.S. Ayres(3), Target
30.	Columbia Center Kennewick, WA	Fee	100.0	Acquired 1987	772,043	Sears, JCPenney, Gottschalks, Barnes & Noble, The Bon Marche
31.	Coral Square Coral Springs, FL	Fee	50.0	Built 1984	946,137	Dillard's, JCPenney, Sears, Burdines(3)
32.	Cordova Mall Pensacola, FL	Fee	100.0	Acquired 1998	852,128	Ward, Parisian, Dillard's(3)

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33.	Cottonwood Mall Albuquerque, NM	Fee	100.0	Built 1996	1,045,265	Dillard's, Foley's, JCPenney, Mervyn's, Ward
34.	Crossroads Mall Omaha, NE	Fee	100.0	Acquired 1994	864,928	Dillard's, Sears, Younkers, Barnes & Noble

35.	Crystal Mall Waterford, CT	Fee	74.6	Acquired 1998	786,359	Macy's, Filene's, JCPenney, Sears
36.	Crystal River Mall Crystal River, FL	Fee	100.0	Built 1990	424,430	JCPenney, Sears, Belk, Kmart
37.	Dadeland Mall Miami, FL	Fee	50.0	Acquired 1997	1,404,312	Saks Fifth Avenue, JCPenney, Burdine's, Burdine's Home Gallery, Limited, Lord & Taylor
38.	DeSoto Square Bradenton, FL	Fee	100.0	Built 1973	686,993	JCPenney, Sears, Dillard's, Burdines
39.	Eastern Hills Mall Buffalo, NY	Fee	100.0	Built 1971	997,111	Sears, JCPenney, The Bon Ton, Kaufmann's, Burlington Coat Factory
40.	Eastland Mall Evansville, IN	Fee	50.0	Acquired 1998	899,746	JC Penney, De Jong's, Famous Barr, Lazarus
41.	Eastland Mall Tulsa, OK	Fee	100.0	Built 1986	707,425	Dillard's, Foley's, Mervyn's, (11)
42.	Edison Mall Fort Myers, FL	Fee	100.0	Acquired 1997	1,046,348	Dillard's, JCPenney, Sears, Burdines(3)
43.	Emerald Square North Attleborough, MA	Fee	49.1	Acquired 1999	1,006,434	Filene's, JCPenney, Lord & Taylor, Sears
44.	Empire Mall(6) Sioux Falls, SD	Fee and Ground Lease(7) (2013)	50.0	Acquired 1998	1,056,290	JCPenney, Younkers, Sears, Daytons, (11)
45.	Fashion Mall at Keystone at the Crossing, The Indianapolis, IN	Ground Lease (2067)	100.0	Acquired 1997	653,604	Jacobsons, Parisian
46.	Florida Mall, The Orlando, FL	Fee	50.0	Built 1986	1,633,852	Dillard's, JCPenney, Lord & Taylor(9) Saks Fifth Avenue, Sears, Burdines, Nordstrom(9)
47.	Forest Mall Fond Du Lac, WI	Fee	100.0	Built 1973	474,432	JCPenney, Kohl's, Younkers, Sears, Staples
48.	Forest Village Park Mall Forestville, MD	Fee	100.0	Built 1980	418,612	JCPenney, Kmart

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49.	Golden Ring Mall Baltimore, MD	Fee	100.0	Built 1974	704,960	Hecht's, Ward, Caldor(5)
50.	Granite Run Mall Media, PA	Fee	50.0	Acquired 1998	1,046,790	JCPenney, Sears, Boscovs
51.	Great Lakes Mall Cleveland, OH	Fee	100.0	Built 1961	1,314,349	Dillard's(3), Kaufmann's, JCPenney, Sears
52.	Greendale Mall Worcester, MA	Fee and Ground Lease(7) (2009)	49.1	Acquired 1999	408,224(12)	Best Buy, Marshall's, T.J. Maxx & More
53.	Greenwood Park Mall Greenwood, IN	Fee	100.0	Acquired 1979	1,327,448	JCPenney, JCPenney Home Store, Lazarus, L.S. Ayres, Sears, Service Merchandise, Von Maur
54.	Gulf View Square Port Richey, FL	Fee	100.0	Built 1980	804,191	Sears, Dillard's, Ward, JCPenney, Burdines
55.	Gwinnett Place Atlanta, GA	Fee	50.0	Acquired 1998	1,247,353	Parisian, Macy's, Rich's JCPenney, Sears
56.	Haywood Mall Greenville, SC	Fee and Ground Lease(7) (2017)	100.0	Acquired 1998	1,244,735	Rich's, Sears, Dillard's, JCPenney, Belk Simpson
57.	Heritage Park Mall Midwest City, OK	Fee	100.0	Built 1978	607,000	Dillard's, Sears, Ward
58.	Highland Mall(6) Austin, TX	Fee and Ground Lease (2070)	50.0	Acquired 1998	1,090,099	Dillard's(3), Foley's, JCPenney
59.	Hutchinson Mall Hutchinson, KS	Fee	100.0	Built 1985	525,633	Dillard's, JCPenney, Sears, Wal-Mart
60.	Independence Center Independence, MO	Fee	100.0	Acquired 1994	1,020,129	Dillard's, Sears(3), The Jones Store Co.
61.	Indian River Mall Vero Beach, FL	Fee	50.0	Built 1996	748,010	Sears, JCPenney, Dillard's, Burdines
62.	Ingram Park Mall San Antonio, TX	Fee	100.0	Built 1979	1,129,098	Dillard's(3), Foley's, JCPenney, Sears, Beall's
63.	Irving Mall Irving, TX	Fee	100.0	Built 1971	1,125,986	Foley's, Dillard's, Mervyn's, Sears, Barnes & Noble
64.	Jefferson Valley Mall Yorktown Heights, NY	Fee	100.0	Built 1983	591,861	Macy's, Sears, (11)
65.	Knoxville Center Knoxville, TN	Fee	100.0	Built 1984	981,105	Dillard's, JCPenney, Proffitt's, Sears, Service Merchandise(5)

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66.	La Plaza McAllen, TX	Fee and Ground Lease(7) (2040)	100.0	Built 1976	1,214,464	Dillard's, JCPenney, Foley's, Foley's Home Store, Sears, Beall's, Joe Brand-Lady Brand
67.	Lafayette Square Indianapolis, IN	Fee	100.0	Built 1968	1,227,716	JCPenney, LS Ayres, Sears, Lazarus, Burlington Coat Factory
68.	Laguna Hills Mall Laguna Hills, CA	Fee	100.0	Acquired 1997	866,983	Macy's, JCPenney, Sears
69.	Lake Square Mall Leesburg, FL	Fee	50.0	Acquired 1998	560,968	JCPenney, Sears, Belk, Target,
70.	Lakeline Mall N. Austin, TX	Fee	100.0	Built 1995	1,102,184	Dillard's, Foley's, Sears, JCPenney, Mervyn's
71.	Lenox Square Atlanta, GA	Fee	100.0	Acquired 1998	1,427,382	Neiman Marcus, Macy's, Rich's
72.	Liberty Tree Mall Newton, MA	Fee	49.1	Acquired 1999	828,978	Marshall's, Sports Authority, Target
73.	Lima Mall Lima, OH	Fee	100.0	Built 1965	747,513	Elder-Beerman, Sears, Lazarus, JCPenney
74.	Lincolnwood Town Center Lincolnwood, IL	Fee	100.0	Built 1990	441,213	JCPenney, Carson Pirie Scott
75.	Lindale Mall(6) Cedar Rapids, IA	Fee	50.0	Acquired 1998	690,748	Von Maur, Sears, Younkens
76.	Livingston Mall Livingston, NJ	Fee	100.0	Acquired 1998	985,053	Macy's, Sears, Lord & Taylor
77.	Longview Mall Longview, TX	Fee	100.0	Built 1978	616,445	Dillard's(3), JCPenney, Sears, Service Merchandise, Beall's
78.	Machesney Park Mall Rockford, IL	Fee	100.0	Built 1979	555,351	Seventh Avenue Direct, Bergners
79.	Mall at Rockingham Park Salem, NH	Fee	24.6	Acquired 1999	1,020,236	Macy's, Filene's, JCPenney, Sears
80.	Mall of America Minneapolis, MN	Fee(13)	27.5	Acquired 1999	2,775,958	Macy's, Bloomingdales, Nordstrom, Sears, Knott's Camp Snoopy

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81.	Mall of Georgia Gwinnett County, GA	Fee	50.0	Built 1999	1,780,906	Lord & Taylor, Rich's, Dillard's, Galyan's, Haverly's, JCPenney, Nordstrom, Bed, Bath & Beyond
82.	Mall of New Hampshire Manchester, NH	Fee	49.1	Acquired 1999	804,559	Filene's, JCPenney, Sears
83.	Markland Mall Kokomo, IN	Ground Lease (2041)	100.0	Built 1968	394,008	Lazarus, Sears, Target
84.	McCain Mall N. Little Rock, AR	Ground Lease(14) (2032)	100.0	Built 1973	777,335	Sears, Dillard's, JCPenney, M.M. Cohn
85.	Melbourne Square Melbourne, FL	Fee	100.0	Built 1982	737,032	Belk, Dillard's(3), JCPenney, Burdines
86.	Memorial Mall Sheboygan, WI	Fee	100.0	Built 1969	416,572	Kohl's, Sears
87.	Menlo Park Mall Edison, NJ	Fee	100.0	Acquired 1997	1,293,458(15)	Macy's(3), Nordstrom
88.	Mesa Mall(6) Grand Junction, CO	Fee	50.0	Acquired 1998	856,258	Sears, Herberger's, JCPenney, Target, Mervyn's
89.	Metrocenter Phoenix, AZ	Fee	50.0	Acquired 1998	1,369,722	Macy's, Dillard's, Robinsons-May, JCPenney, Sears, Vans Skate Park
90.	Miami International Mall Miami, FL	Fee	60.0	Built 1982	973,607	Sears, Dillard's, JCPenney, Burdines(3)
91.	Midland Park Mall Midland, TX	Fee	100.0	Built 1980	619,600	Dillard's(3), JCPenney, Sears, Beall's
92.	Miller Hill Mall Duluth, MN	Ground Lease (2008)	100.0	Built 1973	728,773	JCPenney, Sears, Younkens, Barnes & Noble, DSW Shoes
93.	Mounds Mall Anderson, IN	Ground Lease (2033)	100.0	Built 1965	407,681	Elder-Beerman, JCPenney, Sears
94.	Muncie Mall Muncie, IN	Fee	100.0	Built 1970	658,018	JCPenney, L.S. Ayres, Sears, Elder Beerman, (11)
95.	Nanuet Mall Nanuet, NY	Fee	100.0	Acquired 1998	915,030	Macy's, Boscov(9), Sears
96.	North East Mall Hurst, TX	Fee	100.0	Built 1971	1,326,861	Saks Fifth Avenue, Nordstrom, Dillard's, JCPenney, Ward, Sears, Foley's(9)

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97.	North Towne Square Toledo, OH	Fee	100.0	Built 1980	749,109	Ward,(11)
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98.	Northfield Square Bradley, IL	Fee(8)	31.6	Built 1990	558,535	Sears, JCPenney, Carson Pirie Scott(3)
99.	Northgate Mall Seattle, WA	Fee	100.0	Acquired 1987	1,006,713	Nordstrom, JCPenney, Gottschalk, The Bon Marche
100.	Northlake Mall Atlanta, GA	Fee	100.0	Acquired 1998	961,919	Parisian, Macy's, Sears, JCPenney
101.	Northpark Mall Davenport, IA	Fee	50.0	Acquired 1998	1,042,118	Von Maur, Younkers, Ward, JCPenney, Sears, Barnes & Noble(9)
102.	Northshore Mall Peabody, MA	Fee	49.1	Acquired 1999	1,690,958	Macy's, Filene's, JCPenney, Lord & Taylor, Sears
103.	Northwoods Mall Peoria, IL	Fee	100.0	Acquired 1983	667,957	Famous Barr, JCPenney, Sears
104.	Oak Court Mall Memphis, TN	Fee	100.0	Acquired 1997	852,315(16)	Dillard's(3), Goldsmith's
105.	Orange Park Mall Jacksonville, FL	Fee	100.0	Acquired 1994	931,095	Dillard's, JCPenney, Sears, Belk
106.	Orland Square Orland Park, IL	Fee	100.0	Acquired 1997	1,248,714	JCPenney, Marshall Field, Sears, Carson Pirie Scott
107.	Paddock Mall Ocala, FL	Fee	100.0	Built 1980	559,541	JCPenney, Sears, Belk, Burdines
108.	Palm Beach Mall West Palm Beach, FL	Fee	100.0	Built 1967	1,217,508	Dillard's, JCPenney, Sears, Lord & Taylor, Burdines, Borders Books & Music, DSW Shoes, MARS
109.	Phipps Plaza Atlanta, GA	Fee	100.0	Acquired 1998	821,514	Lord & Taylor, Parisian, Saks Fifth Avenue
110.	Port Charlotte Town Center Port Charlotte, FL	Ground Lease (2064)(8)	80.0	Built 1989	781,288	Dillard's, Ward, JCPenney, Sears, Burdines
111.	Prien Lake Mall Lake Charles, LA	Fee and Ground Lease(7) (2025)	100.0	Built 1972	812,475	Dillards, JCPenney, Ward, Sears, The White House
112.	Raleigh Springs Mall Memphis, TN	Fee and Ground Lease(7) (2018)	100.0	Built 1979	900,593	Dillard's, Sears, JCPenney, Goldsmith's

113.	Randall Park Mall Cleveland, OH	Fee	100.0	Built 1976	1,569,911	Dillard's, Kaufmann's, Sears, Burlington Coat Factory, Ohio Furniture Mart.com(11)
114.	Richardson Square Dallas, TX	Fee	100.0	Built 1977	745,746	Dillard's, Sears, Stein Mart, Ward, Ross Dress for Less, Barnes & Noble
115.	Richmond Square Richmond, IN	Fee	100.0	Built 1966	390,834	Dillard's, JCPenney, Sears, Office Max
116.	Richmond Town Square Cleveland, OH	Fee	100.0	Built 1966	1,021,696	Sears, JCPenney, Kaufmann's, Barnes & Noble, Old Navy
117.	River Oaks Center Calumet City, IL	Fee	100.0	Acquired 1997	1,362,262(17)	Sears, JCPenney, Carson Pirie Scott, Marshall Field's
118.	Rockaway Townsquare Rockaway, NJ	Fee	100.0	Acquired 1998	1,240,800	Macy's, Lord & Taylor, JCPenney, Sears
119.	Rolling Oaks Mall North San Antonio, TX	Fee	100.0	Built 1988	755,934	Sears, Dillard's, Foley's,
120.	Roosevelt Field Mall Garden City, NY	Ground Lease(7) (2090)	100.0	Acquired 1998	2,174,482	Macy's, Bloomingdale's, JCPenney, Nordstrom
121.	Ross Park Mall Pittsburgh, PA	Fee	100.0	Built 1986	1,276,164	Lazarus, JCPenney, Sears, Kaufmann's, Media Play, Designer Shoe Warehouse
122.	Rushmore Mall(6) Rapid City, SD	Fee	50.0	Acquired 1998	833,791	JCPenney, Sears, Herberger's, Hobby Lobby, Target
123.	St. Charles Towne Center Waldorf, MD	Fee	100.0	Built 1990	1,052,875	Sears, JCPenney, Kohl's, Ward, Hecht's(3)
124.	Santa Rosa Plaza Santa Rosa, CA	Fee	100.0	Acquired 1998	695,577	Macy's, Mervyn's, Sears
125.	Seminole Towne Center Sanford, FL	Fee	45.0	Built 1995	1,153,226	Dillard's, JCPenney, Parisian, Sears, Burdines
126.	Shops at Mission Viejo Mall, The Mission Viejo, CA	Fee	100.0	Built 1979	1,085,701	Macy's, Saks Fifth Avenue, Robinsons—May, Nordstrom
127.	Smith Haven Mall Lake Grove, NY	Fee	25.0	Acquired 1995	1,331,436	Macy's, Sears, JCPenney

128.	Solomon Pond Mall Marlborough, MA	Fee	49.1	Acquired 1999	880,815	Filene's, Sears, JCPenney, Linens 'N Things
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129.	Source, The Long Island, NY	Fee	25.0	Built 1997	729,485	Off 5th-Saks Fifth Avenue, Fortunoff, Nordstrom Rack, Old Navy, Circuit City, Virgin Megastore
130.	South Hills Village Pittsburgh, PA	Fee	100.0	Acquired 1997	1,120,424	Sears, Kaufmann's, Lazarus
131.	South Park Mall Shreveport, LA	Fee	100.0	Built 1975	858,675	Burlington Coat Factory, Stage, Ward(5)
132.	South Shore Plaza Braintree, MA	Fee	100.0	Acquired 1998	1,432,258	Macy's, Filene's, Lord & Taylor, Sears
133.	Southern Hills Mall(6) Sioux City, IA	Fee	50.0	Acquired 1998	752,286	Younkers, Sears, Target
134.	Southern Park Mall Youngstown, OH	Fee	100.0	Built 1970	1,202,675	Dillard's, JCPenney, Sears, Kaufmann's
135.	Southgate Mall Yuma, AZ	Fee	100.0	Acquired 1988	321,564	Sears, Dillard's, JCPenney, Hastings
136.	SouthPark Mall Moline, IL	Fee	50.0	Acquired 1998	1,034,687	JCPenney, Ward, Younkers, Sears, Von Maur
137.	SouthRidge Mall(6) Des Moines, IA	Fee	50.0	Acquired 1998	1,008,542	Sears, Younkers, JCPenney, Target, (11)
138.	Square One Mall Saugus, MA	Fee	49.1	Acquired 1999	848,240	Filene's, Sears, Service Merchandise, TJMaxx & More
139.	Summit Mall Akron, OH	Fee	100.0	Built 1965	698,372	Dillard's(3), Kaufmann's
140.	Sunland Park Mall El Paso, TX	Fee	100.0	Built 1988	923,317	JCPenney, Mervyn's, Sears, Dillard's(3)
141.	Tacoma Mall Tacoma, WA	Fee	100.0	Acquired 1987	1,265,579	Nordstrom, Sears, JCPenney, The Bon Marche, Mervyn's
142.	Tippecanoe Mall Lafayette, IN	Fee	100.0	Built 1973	861,379	Lazarus, Sears, L.S. Ayres, JCPenney, Kohl's
143.	Town Center at Boca Raton Boca Raton, FL	Fee	100.0	Acquired 1998	1,501,384	Lord & Taylor, Saks Fifth Avenue, Bloomingdale's, Sears, Burdines, Nordstrom
144.	Town Center at Cobb Atlanta, GA	Fee	50.0	Acquired 1998	1,272,722	Macy's, Parisian, Sears, JCPenney, Rich's

145.	Towne East Square Wichita, KS	Fee	100.0	Built 1975	1,090,464	Dillard's, JCPenney, Sears, Von Maur(9), Steinmart
146.	Towne West Square Wichita, KS	Fee	100.0	Built 1980	965,933	Dillard's(3), Sears, JCPenney, Ward, (11)
147.	Treasure Coast Square Jenson Beach, FL	Fee	100.0	Built 1987	808,492	Dillard's(3), Sears, JCPenney, Burdines
148.	Tyrone Square St. Petersburg, FL	Fee	100.0	Built 1972	1,128,154	Dillard's, JCPenney, Sears, Borders, Burdines
149.	University Mall Little Rock, AR	Ground Lease (2026)	100.0	Built 1967	565,450	JCPenney, M.M. Cohn, Ward
150.	University Mall Pensacola, FL	Fee	100.0	Acquired 1994	711,723	JCPenney, Sears, McRae's
151.	University Park Mall South Bend, IN	Fee	60.0	Built 1979	943,147	LS Ayres, JCPenney, Sears, Marshall Fields
152.	Upper Valley Mall Springfield, OH	Fee	100.0	Built 1971	750,376	Lazarus, JCPenney, Sears, Elder-Beerman
153.	Valle Vista Mall Harlingen, TX	Fee	100.0	Built 1983	656,341	Dillard's, Mervyn's, Sears, JCPenney, Marshalls, Beall's
154.	Valley Mall Harrisonburg, VA	Fee	50.0	Acquired 1998	482,359	JCPenney, Belk, Wal-Mart, Peebles
155.	Virginia Center Commons Richmond, VA	Fee	100.0	Built 1991	788,012	Dillard's(3), Hecht's, JCPenney, Sears
156.	Walt Whitman Mall Huntington Station, NY	Ground Rent (2012)	98.4	Acquired 1998	1,030,093	Macy's, Lord & Taylor, Bloomingdale's, Saks Fifth Avenue
157.	Washington Square Indianapolis, IN	Fee	100.0	Built 1974	1,133,855	L.S. Ayres, Lazarus, Target, Sears(11)
158.	West Ridge Mall Topeka, KS(18)	Fee	100.0	Built 1988	1,040,736	Dillard's, JCPenney, The Jones Store, Sears, Ward
159.	West Town Mall Knoxville, TN	Ground Lease (2042)	50.0	Acquired 1991	1,333,885	Parisian, Dillard's, JCPenney, Proffitt's, Sears
160.	Westchester, The White Plains, NY	Fee	40.0	Acquired 1997	826,282	Neiman Marcus, Nordstrom
161.	Westminster Mall Westminster, CA	Fee	100.0	Acquired 1998	1,079,574	Sears, JCPenney, Robinsons-May, Macy's(9)
162.	White Oaks Mall	Fee	77.0	Built 1977	951,418	Famous Barr(3), Ward, Sears,

163.	Windsor Park Mall San Antonio, TX	Fee	100.0	Built 1976	1,092,992	Ward, Dillard's(11), JCPenney, Mervyn's
164.	Woodville Mall Toledo, OH	Fee	100.0	Built 1969	771,461	Sears, Elder-Beerman, Andersons, (11)
VALUE-ORIENTED REGIONAL MALLS						
1.	Arizona Mills(6) Tempe, AZ	Fee	26.3	Built 1997	1,227,564	Off 5th-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(6) Anne Arundel, MD	Fee	37.5	Built 2000	948,826	Sun & Ski Sports, For Your Entertainment, Jillian's, Bed, Bath & Beyond
3.	Concord Mills(6) Concord, NC	Fee	37.5	Built 1999	1,260,655	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(6) Grapevine (Dallas/Ft. Worth), TX	Fee	37.5	Built 1997	1,370,548	Off 5th-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(6) Ontario, CA	Fee	25.0	Built 1996	1,596,096	Off 5th-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
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SPECIALTY RETAIL CENTERS

1.	Atrium Mall Chestnut Hill, MA	Fee	49.1	Acquired 1999	214,754	Border Books & Music, Cheesecake, Tiffany
2.	Orlando Premium Outlets(6) Orlando, FL	Fee	50.0	Built 2000	420,026	—
3.	The Forum Shops at Caesars Las Vegas, NV	Ground Lease (2050)	(19)	Built 1992	479,667	—
4.	The Shops at Sunset Place Miami, FL	Fee	37.5	Built 1999	503,722	Niketown, Barnes & Noble, Gameworks, Virgin Megastore, Z Gallerie
5.	Trolley Square Salt Lake City, UT	Fee	90.0	Acquired 1986	219,474	—

OFFICE AND MIXED-USE PROPERTIES

1.	Fashion Centre at Pentagon City, The Arlington, VA	Fee	21.0	Built 1989	990,804(20)	Macy's, Nordstrom
2.	New Orleans Centre/CNG Tower New Orleans, LA	Fee and Ground Lease (2084)	100.0	Built 1988	1,047,913(21)	Macy's, Lord & Taylor
3.	O'Hare International Center Rosemont, IL	Fee	100.0	Built 1988	512,262(22)	—
4.	Riverway Rosemont, IL	Fee	100.0	Acquired 1991	817,289(23)	—

COMMUNITY SHOPPING CENTERS

1.	Arboretum, The Austin, TX	Fee	100.0	Acquired 1998	211,947	Barnes & Noble
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2.	Bloomington Court Bloomington, IL	Fee	100.0	Built 1987	598,561	Wal-Mart, Best Buy, T.J. Maxx N More, Frank's Nursery, Office Max, Old Navy, Service Merchandise, Dress Barn, Linen N Things
3.	Boardman Plaza Youngstown, OH	Fee	100.0	Built 1951	641,021	AMES, Burlington Coat Factory, Giant Eagle, Michael's, Linens-N-Things, T.J. Maxx,(11)

4.	Bridgeview Court Bridgeview, IL	Fee	100.0	Built 1988	278,184	AMES(5), (11)
5.	Brightwood Plaza Indianapolis, IN	Fee	100.0	Built 1965	41,893	Preston Safeway
6.	Celina Plaza El Paso, TX	Fee and Ground Lease(24) (2027)	100.0	Built 1978	32,622	
7.	Century Mall Merrillville, IN(25)	Fee	100.0	Acquired 1982	414,534	Burlington Coat Factory, Ward
8.	Charles Towne Square Charleston, SC	Fee	100.0	Built 1976	199,693	Ward
9.	Chesapeake Center Chesapeake, VA	Fee	100.0	Built 1989	299,604	Service Merchandise, Phar Mor, K-Mart
10.	Cobblestone Court Victor, NY	Fee and Ground Lease(10) (2038)	35.0	Built 1993	265,493	Dick's Sporting Goods, Kmart, Office Max
11.	Countryside Plaza Countryside, IL	Fee and Ground Lease(10) (2058)	100.0	Built 1977	435,608	Best Buy, Old Country Buffet, KMart(11)
12.	Crystal Court Crystal Lake, IL	Fee	35.0	Built 1989	284,816	Cub Foods, Wal-Mart, Service Merchandise, (11)
13.	Eastgate Consumer Mall Indianapolis, IN	Fee	100.0	Acquired 1981	465,620	Burlington Coat Factory
14.	Eastland Convenience Center Evansville, IN	Ground Lease (2075)	50.0	Acquired 1998	173,069	Service Merchandise, Marshalls, Kids "R" Us, Toys "R" Us, Bed Bath & Beyond
15.	Eastland Plaza Tulsa, OK	Fee	100.0	Built 1986	188,229	Marshalls, Target, Toys "R" Us
16.	Empire East(6) Sioux Falls, SD	Fee	50.0	Acquired 1998	271,351	Kohl's, Target
17.	Fairfax Court Fairfax, VA	Fee	26.3	Built 1992	258,738	Burlington Coat Factory, Circuit City Superstore, Today's Man
22						
18.	Forest Plaza Rockford, IL	Fee	100.0	Built 1985	435,404	Kohl's, Marshalls, Media Play, Michael's, Factory Card Outlet, Office Max, T.J. Maxx, Bed, Bath & Beyond, Petco
19.	Fox River Plaza Elgin, IL	Fee	100.0	Built 1985	324,873	Big Lots, Builders Square(5), Kmart, (11)
20.	Gaitway Plaza Ocala, FL	Fee	23.3	Built 1989	229,973	Ward, Books-A-Million, Office Depot, T.J. Maxx
21.	Glen Burnie Mall Glen Burnie, MD	Fee	100.0	Built 1963	455,112	Ward, Toys "R" Us, Best Buy, Dick's Clothing & Sporting Goods
22.	Great Lakes Plaza Cleveland, OH	Fee	100.0	Built 1976	164,104	Circuit City, Best Buy, Michael's, Cost Plus World Market
23.	Great Northeast Plaza Philadelphia, PA	Fee	50.0	Acquired 1989	298,242	Sears, Phar Mor
24.	Greenwood Plus Greenwood, IN	Fee	100.0	Built 1979	173,481	Best Buy, Kohl's
25.	Griffith Park Plaza Griffith, IN	Ground Lease (2060)	100.0	Built 1979	274,230	Kmart, Service Merchandise, (11)
26.	Grove at Lakeland Square, The Lakeland, FL	Fee	100.0	Built 1988	215,591	Sports Authority
27.	Highland Lakes Center Orlando, FL	Fee	100.0	Built 1991	478,014	Target, Marshalls, Bed, Bath & Beyond, Foods Festival, Ross Dress for Less, Office Max
28.	Indian River Commons Vero Beach, FL	Fee	50.0	Built 1997	264,690	HomePlace, Lowe's, Office Max, (11)
29.	Ingram Plaza San Antonio, TX	Fee	100.0	Built 1980	111,518	—
30.	Keystone Shoppes Indianapolis, IN	Ground Lease (2067)	100.0	Acquired 1997	29,140	—
31.	Knoxville Commons Knoxville, TN	Fee	100.0	Built 1987	180,355	Office Max, Trees 'N Trends, Circuit City
32.	Lake Plaza Waukegan, IL	Fee	100.0	Built 1986	218,208	Pic 'N Save, Home Owners Buyer's Outlet, (11)
23						
33.	Lake View Plaza Orland Park, IL	Fee	100.0	Built 1986	382,019	Service Merchandise, Best Buy(3), Marshalls, Ulta Cosmetics, Factory Card Outlet, Golf Galaxy, Linens-N-Things(3), Pet Care Plus,(11)
34.	Lakeline Plaza Austin, TX	Fee	100.0	Built 1998	344,675	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
35.	Lima Center Lima, OH	Fee	100.0	Built 1978	201,154	AMES, Hobby Lobby
36.	Lincoln Crossing O'Fallon, IL	Fee	100.0	Built 1990	161,337	Wal-Mart, PetsMart
37.	Mainland Crossing Galveston, TX	Fee(8)	80.0	Built 1991	390,987	Hobby Lobby, Sam's Club, Wal-Mart
38.	Mall of Georgia Crossing Gwinnett County, GA	Fee	50.0	Built 1999	440,452	Target, Nordstrom Rack, Best Buy, Staples, T.J. Maxx N More, Dekor
39.	Markland Plaza Kokomo, IN	Fee	100.0	Built 1974	111,166	Spiece, (11)
40.	Martinsville Plaza Martinsville, VA	Space Lease (2036)	100.0	Built 1967	102,105	Rose's
41.	Matteson Plaza Matteson, IL	Fee	100.0	Built 1988	274,805	Service Merchandise, Dominick's, Michael's Arts & Crafts, Value City
42.	Memorial Plaza Sheboygan, WI	Fee	100.0	Built 1966	141,177	Office Max, (11)
43.	Mounds Mall Cinema Anderson, IN	Fee	100.0	Built 1974	7,500	—
44.	Muncie Plaza Muncie, IN	Fee	100.0	Built 1998	172,651	Kohl's, Office Max, Shoe Carnival, T.J. Maxx
45.	New Castle Plaza New Castle, IN	Fee	100.0	Built 1966	91,648	Goody's
46.	North Ridge Plaza Joliet, IL	Fee	100.0	Built 1985	367,282	Service Merchandise, Best Buy, Cub Foods, Hobby Lobby, Office Max

47.	North Riverside Park Plaza North Riverside, IL	Fee	100.0	Built 1977	119,608	Dominick's
48.	Northland Plaza Columbus, OH	Fee and Ground Lease(7) (2085)	100.0	Built 1988	209,534	Marshalls, Phar-Mor, Hobby Lobby
49.	Northwood Plaza Fort Wayne, IN	Fee	100.0	Built 1974	209,374	Target, Cinema Grill, (11)
50.	Park Plaza Hopkinsville, KY	Fee and Ground Lease(7) (2039)	100.0	Built 1968	115,024	Wal-Mart(5)
51.	Plaza at Buckland Hills, The Manchester, CT	Fee	35.0	Built 1993	334,491	Toys "R" Us, Jo-Ann Etc., Kids "R" Us, Service Merchandise, Comp USA, Linens-N-Thing's, Party City, The Floor Store, Pay Half
52.	Regency Plaza St. Charles, MO	Fee	100.0	Built 1988	287,526	Wal-Mart, Sam's Wholesale, Bed,
53.	Ridgewood Court Jackson, MS	Fee	35.0	Built 1993	240,820	T.J. Maxx, Service Merchandise, Bed, Bath & Beyond, Best Buy, Marshall's(11)
54.	Rockaway Convenience Center Rockaway, NJ	Fee	100.0	Acquired 1998	135,309	Kids "R" Us, AMCE Grocery
55.	Royal Eagle Plaza Coral Springs, FL	Fee	35.0	Built 1989	198,986	Kmart, Stein Mart
56.	Shops at Northeast Mall, The Hurst, TX	Fee	100.0	Built 1999	364,750	Old Navy, Nordstrom Rack, Bed, Bath & Beyond, Office Max, Michael's, Petsmart, T.J. Maxx, Ulta Cosmetics, Best Buy, Zany Brainy
57.	St. Charles Towne Plaza Waldorf, MD	Fee	100.0	Built 1987	404,949	Value City Furniture, T.J. Maxx, Ames, Jo Ann Fabrics, CVS, Shoppers Food Warehouse, (11)
58.	Teal Plaza Lafayette, IN	Fee	100.0	Built 1962	101,087	Circuit City, Hobby-Lobby, The Pep Boys
59.	Terrace at The Florida Mall Orlando, FL	Fee	100.0	Built 1989	332,980	Marshalls, Service Merchandise, Target, Home Place, (11)
60.	Tippecanoe Plaza Lafayette, IN	Fee	100.0	Built 1974	94,598	Best Buy, Barnes & Noble
61.	University Center South Bend, IN	Fee	60.0	Built 1980	150,548	Best Buy, Michaels, Service Merchandise

62.	Village Park Plaza Westfield, IN	Fee	35.0	Built 1990	528,051	Wal-Mart, Galyan's, Frank's Nursery, Kohl's, Marsh
63.	Wabash Village West Lafayette, IN	Ground Lease (2063)	100.0	Built 1970	124,748	Kmart
64.	Washington Plaza Indianapolis, IN	Fee	100.0	Built 1976	50,107	Kids "R" Us

65.	Waterford Lakes Town Center Orlando, FL	Fee	100.0	Built 1999	802,308	Super Target, T.J. Maxx, Barnes & Noble, Ross Dress for Less, Petsmart, Bed, Bath & Beyond, Old Navy, Best Buy, Office Max
66.	West Ridge Plaza Topeka, KS	Fee	100.0	Built 1988	237,729	Target, T.J. Maxx, Toys "R" Us,
67.	West Town Corners Altamonte Springs, FL	Fee	23.3	Built 1989	385,196	Wal-Mart, Service Merchandise, Sports Authority, PetsMart, Winn Dixie
68.	Westland Park Plaza Orange Park, FL	Fee	23.3	Built 1989	163,154	Burlington Coat Factory, PetsMart, Sports Authority, Sound Advice
69.	White Oaks Plaza Springfield, IL	Fee	100.0	Built 1986	400,303	Kohl's, Kids "R" Us, Office Max, T.J. Maxx, Toys "R" Us, Cub Foods
70.	Wichita Mall Wichita, KS	Ground Lease (2022)	100.0	Built 1969	379,457	Ward, Office Max, (11)
71.	Willow Knolls Court Peoria, IL	Fee	35.0	Built 1990	382,377	Kohl's, Phar-Mor, Sam's Wholesale Club
72.	Wood Plaza Fort Dodge, IA	Ground Lease (2045)	100.0	Built 1968	94,993	Country General
73.	Yards Plaza, The Chicago, IL	Fee	35.0	Built 1990	273,054	Burlington Coat Factory, Ward, Value City

PROPERTIES UNDER CONSTRUCTION

1.	Bowie Town Center Bowie, MD	Fee	100.0	(26)	559,540	Sears, Hecht's
2.	Montreal Forum Montreal, Canada	Fee	35.0	(27)	275,711	Morentzos, Jilians, Showmax

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.

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- (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) This retailer operates two stores at this Property.
- (4) Primarily retail space with approximately 105,800 square feet of office space.
- (5) Indicates anchor has closed, but the SPG Operating Partnership still collects rents and/or fees under an agreement.
- (6) This Property is managed by a third party.
- (7) Indicates ground lease covers less than 15% of the acreage of this Property.
- (8) The SPG Operating Partnership receives substantially all of the economic benefit of these Properties.
- (9) Indicates anchor is currently under construction.
- (10) Indicates ground lease(s) cover(s) less than 50% of the acreage of the Property.
- (11) Includes an anchor space currently vacant.
- (12) Primarily retail space with approximately 119,900 square feet of office space.
- (13) The SPG Operating Partnership is entitled to 50% of the economic benefits of this property.
- (14) Indicates ground lease covers all of the Property except for parcels owned in fee by anchors.
- (15) Primarily retail space with approximately 43,939 square feet of office space.
- (16) Primarily retail space with approximately 130,000 square feet of office space.
- (17) Primarily retail space with approximately 107,600 square feet of office space.
- (18) 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.
- (19) The SPG Operating Partnership owns 60% of the original phase of this Property and 55% of phase II. The SPG Operating Partnership has entered into a letter of intent to redeem all of the interests of the limited partners at this property. This transaction is subject to final documentation and customary closing conditions.
- (20) Primarily retail space with approximately 169,100 square feet of office space. The SPG Operating Partnership has elected to exercise certain rights set forth in the partnership agreement for this property and acquire the 50% partnership interest of one of the partners at this property.
- (21)

Primarily retail space with approximately 509,500 square feet of office space.

(22) Primarily office space with approximately 12,800 square feet of retail space.

(23) Primarily office space with approximately 24,300 square feet of retail space.

(24) Indicates ground lease covers outparcel only.

(25) The SPG Operating Partnership sold its interest effective February 1, 2001.

(26) Scheduled to open during the fall of 2001.

(27) Scheduled to open during the summer of 2001.

(28) 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. A limited liability company was formed by affiliates of Kimco Realty Corporation, (the Schottenstein organization) and the Management Company has acquired the right to designate persons or entities to whom the Ward real estate assets will be sold. Thus far, Target Corp., Sears Roebuck & Co. and May Department Stores have entered into agreements to collectively acquire sixty-six (66) of the former Ward stores, of which ten (10) are located at the Portfolio Properties. These transactions are subject to Bankruptcy Court approval.

Land Held for Development

The SPG Operating Partnership has 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, the SPG Operating Partnership, through the Management Company, has interests in two parcels of land totaling 243 acres, which were previously held for development, but are now being marketed for sale.

Joint Ventures

At certain of the Properties held as joint-ventures, the SPG Operating Partnership 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 gives 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, although certain Unitholders have guaranteed a portion of the property related debt in the aggregate amount of \$618.7 million.

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

Property Name	(50) Interest Rate	Face Amount at 12/31/2000	Annual Debt Service	Maturity Date
Consolidated Indebtedness:				
Secured Indebtedness				
Simon Property Group, L.P.:				
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	8.15%(3)	34,000	2,770(2)	11/30/2003(4)
Arsenal Mall—1	6.75%	34,268	2,808	9/28/2008
Arsenal Mall—2	8.20%	2,164	286	5/15/2016
Battlefield Mall—1	7.50%	46,373	4,765	1/1/2004
Battlefield Mall—2	6.81%	44,053	3,524	1/1/2004
Biltmore Square	7.95%	26,000	2,067(2)	12/11/2010
Bloomington Court(5)	7.78%	29,617	2,578	10/1/2009
Bowie Mall	8.15%(3)	8,657	705(2)	12/14/2003
Brunswick Square	8.15%(3)	45,000	3,666(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	7.28%	45,207	4,883	7/1/2001
Cielo Vista Mall—1(6)	9.38%	53,753	5,828	5/1/2007
Cielo Vista Mall—2(6)	8.13%	1,501	376	11/1/2005
Cielo Vista Mall—3(6)	6.76%	38,140	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)	6.16%(8)	50,000	3,078(2)	12/15/2004
College Mall—1(9)	7.00%	40,568	3,908	1/1/2009
College Mall—2(9)	6.76%	11,747	935	1/1/2009
Columbia Center	7.62%	42,326	3,225(2)	3/15/2002

Crystal River	7.63%	16,288	1,385	11/11/2010
Eastland Mall (OK)(12)	6.81%	15,000	1,022(2)	3/15/2003(4)
Forest Mall—1(12)	6.57%	12,800	841(2)	3/15/2003(4)
Forest Mall—2(12)	6.81%	2,750	187(2)	3/15/2003(4)
Forest Plaza(5)	7.78%	16,244	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
Golden Ring Mall(12)	6.57%	29,750	1,955(2)	3/15/2003(4)
Great Lakes Mall—1	6.74%	52,632	3,547(2)	3/1/2001
Great Lakes Mall—2	7.07%	8,489	600(2)	3/1/2001
Greenwood Park Mall—1(9)	7.00%	33,977	3,273	1/1/2009
Greenwood Park Mall—2(9)	6.76%	60,696	4,831	1/1/2009
Grove at Lakeland Square, The	8.44%	3,750	317(2)	5/15/2015
Gulf View Square	8.25%	36,447	3,652	10/1/2006
Highland Lakes Center	8.15%(3)	14,377	1,171(2)	3/1/2002

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Hutchinson Mall—1(12)	8.44%	11,242	1,104	3/15/2003(4)
Hutchinson Mall—2(12)	6.81%	4,500	306(2)	3/15/2003(4)
Jefferson Valley Mall	7.90%(14)	60,000	4,738(2)	1/11/2004(4)
Keystone at the Crossing	7.85%	62,894	5,642	7/1/2027
Lake View Plaza(5)	7.78%	21,593	1,880	10/1/2009
Lakeline Mall	7.65%	71,373	6,295	5/1/2007
Lakeline Plaza(5)	7.78%	23,673	2,061	10/1/2009
Lima Mall—1	7.12%	14,180	1,010(2)	3/1/2002
Lima Mall—2	7.12%	4,723	336(2)	3/1/2002
Lincoln Crossing(5)	7.78%	3,269	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	8.15%(3)	1,603	131(2)	3/31/2002
Markland Mall(12)	6.57%	10,000	657(2)	3/15/2003(4)
Matteson Plaza(5)	7.78%	9,509	828	10/1/2009
McCain Mall—1(6)	9.38%	25,100	2,721	5/1/2007
McCain Mall—2(6)	6.76%	17,604	1,402	5/1/2007
Melbourne Square	7.42%	38,362	3,374	2/1/2005
Miami International Mall	6.91%	45,316	3,758	12/21/2003
Midland Park Mall—1(12)	6.57%	22,500	1,478(2)	3/15/2003(4)
Midland Park Mall—2(12)	6.81%	5,500	375(2)	3/15/2003(4)
Muncie Plaza(5)	7.78%	8,221	716	10/1/2009
Net Lease (Atlanta)	8.00%	667	263	12/1/2002
Net Lease (Chattanooga)	6.80%	387	274	5/31/2002
North East Mall	8.02%(15)	135,761	10,890(2)	5/20/2004(4)
North Riverside Park Plaza—1	9.38%	3,679	452	9/1/2002
North Riverside Park Plaza—2	10.00%	3,543	420	9/1/2002
North Towne Square(12)	6.57%	23,500	1,544(2)	3/15/2003(4)
Northgate Shopping Center	7.62%	79,035	6,022(2)	3/15/2002
Orland Square	7.74%(16)	50,000	3,871(2)	9/1/2001
Paddock Mall	8.25%	28,988	2,905	10/1/2006
Palm Beach Mall	7.50%	48,282	4,803	12/15/2002
Port Charlotte Town Center	7.98%	53,250	4,249(2)	12/11/2010
Raleigh Springs Mall	8.30%(47)	11,000	913(2)	2/23/2003
Randall Park Mall—1	9.75%(46)	35,000	3,411(2)	12/11/2001(4)
Randall Park Mall—2	11.65%(46)	5,000	582(2)	12/11/2001(4)
Regency Plaza(5)	7.78%	4,457	388	10/1/2009
Richmond Towne Square	7.65%(11)	56,851	4,347(2)	7/15/2003(4)
River Oaks Center	8.67%	32,500	2,818(2)	6/1/2002
Shops @ Mission Viejo	7.80%(17)	141,314	11,017(2)	8/31/2003(4)
South Park Mall—1(1)	7.25%	19,194	1,717	3/15/2003(4)
South Park Mall—2(1)	7.01%	6,799	570	3/15/2003(4)
St. Charles Towne Plaza(5)	7.78%	28,527	2,483	10/1/2009
Sunland Park Mall(18)	8.63%	38,710	3,773	1/1/2026
Tacoma Mall	7.62%	92,474	7,047(2)	3/15/2002
Terrace at Florida Mall, The	8.44%	4,688	396(2)	5/15/2015
Tippecanoe Mall—1(9)	8.45%	44,649	4,647	1/1/2005
Tippecanoe Mall—2(9)	6.81%	15,666	1,253	1/1/2005

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Towne East Square—1(9)	7.00%	53,638	5,167	1/1/2009
Towne East Square—2(9)	6.81%	24,478	1,958	1/1/2009

Treasure Coast Square—1	7.42%	51,575	4,714	1/1/2006
Treasure Coast Square—2	8.06%	11,892	1,063	1/1/2006
Trolley Square	9.03%	29,700	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%	33,243	3,604	5/1/2007
Valle Vista Mall—2(6)	6.81%	7,826	626	5/1/2007
Waterford Lakes	8.05%(20)	56,998	4,586(2)	8/15/2004(4)
West Ridge Plaza(5)	7.78%	5,745	500	10/1/2009
White Oaks Mall	8.39%(21)	16,500	1,385(2)	3/1/2001
White Oaks Plaza(5)	7.78%	17,532	1,526	10/1/2009
Windsor Park Mall—1	8.00%	5,610	544	3/1/2001
Windsor Park Mall—2	8.00%	8,625	811	5/1/2012

Total Consolidated Secured Indebtedness		\$	3,164,032	
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Unsecured Indebtedness

Simon Property Group, L.P.:

CPI Merger Facility—2 (1.4B)	7.30%	450,000	32,833(2)	3/24/2001
CPI Merger Facility—3 (1.4B)	7.30%	475,000	34,657(2)	9/24/2001
Medium Term Notes—1	7.13%	100,000	7,125(22)	6/24/2005
Medium Term Notes—2	7.13%	180,000	12,825(22)	9/20/2007
Putable Asset Trust Securities	6.75%	100,000	6,750(22)	11/15/2003
Simon ERE Facility—Swap component	7.75%(37)	28,200	2,186(2)	7/31/2004(4)
Simon ERE Facility—Variable component	7.25%(38)	4,992	362(2)	7/31/2004(4)
SPG, L.P. Unsecured Loan—1	7.45%	150,000	11,169(2)	2/28/2002(4)
SPG, L.P. Unsecured Loan—3	7.65%	22,929	1,753(2)	3/30/2002(4)
Unsecured Notes—1	6.88%	250,000	17,188(22)	11/15/2006
Unsecured Notes—2A	6.75%	100,000	6,750(22)	7/15/2004
Unsecured Notes—2B	7.00%	150,000	10,500(22)	7/15/2009
Unsecured Notes—3	6.88%	150,000	10,313(22)	10/27/2005
Unsecured Notes—4A	6.63%	375,000	24,844(22)	6/15/2003
Unsecured Notes—4B	6.75%	300,000	20,250(22)	6/15/2005
Unsecured Notes—4C	7.38%	200,000	14,750(22)	6/15/2018
Unsecured Notes—5A	6.75%	300,000	20,250(22)	2/9/2004
Unsecured Notes—5B	7.13%	300,000	21,375(22)	2/9/2009
Unsecured Revolving Credit Facility	7.30%(24)	645,000	47,061(2)	8/25/2003
Mandatory Par Put Remarketed Securities	7.00%(26)	200,000	14,000(22)	6/15/2008

4,481,121

Shopping Center Associates:

Unsecured Notes—SCA 1	6.75%	150,000	10,125(22)	1/15/2004
Unsecured Notes—SCA 2	7.63%	110,000	8,388(22)	5/15/2005

260,000

The Retail Property Trust:

Unsecured Notes—CPI 1	9.00%	250,000	22,500(22)	3/15/2002
Unsecured Notes—CPI 2	7.05%	100,000	7,050(22)	4/1/2003
Unsecured Notes—CPI 3	7.75%	150,000	11,625(22)	8/15/2004
Unsecured Notes—CPI 4	7.18%	75,000	5,385(22)	9/1/2013
Unsecured Notes—CPI 5	7.88%	250,000	19,688(22)	3/15/2016

825,000

Total Consolidated Unsecured Indebtedness		\$	5,566,121	
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Total Consolidated Indebtedness at Face Amounts

		\$	8,730,153	
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Net Premium on Indebtedness		\$	(1,571)	
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Total Consolidated Indebtedness		\$	8,728,582(27)	
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Joint Venture Indebtedness(28):

Apple Blossom Mall	7.99%	40,633	3,607	9/10/2009
Arizona Mills	7.95%(29)	145,764	11,583(2)	2/1/2002(4)
Arundel Mills	8.30%(19)	112,346	9,321(2)	4/30/2005(4)
Atrium at Chestnut Hill—1	7.29%	42,117	4,031	4/1/2001
Atrium at Chestnut Hill—2	8.16%	11,550	1,154	4/1/2001
Auburn Mall	7.99%	47,570	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%	56,126	5,555	5/15/2003
Cape Cod Mall	8.45%(30)	67,348	5,688(2)	4/1/2003(4)
Circle Centre Mall—1	7.09%(31)	60,000	4,252(2)	1/31/2004(4)
Circle Centre Mall—2	8.15%(32)	7,500	611(2)	1/31/2004(4)
CMBS Loan—Fixed Component (IBM)(33)	7.41%	300,000	22,229(2)	5/1/2006
CMBS Loan—Fixed Component—2 (IBM)	8.13%	57,100	4,643(2)	5/15/2006
CMBS Loan—Floating Component (IBM)(33)	7.14%	184,500	13,181(2)	5/1/2003
CMBS Loan—Floating Component—2 (IBM)(45)	7.02%	81,400	5,711(2)	5/15/2006
Cobblestone Court	7.64%(34)	6,180	472(2)	1/1/2006
Concord Mills	8.00%(35)	179,883	14,384(2)	12/2/2003(4)
Coral Square	8.00%	90,000	7,200(2)	10/1/2010
Crystal Court	7.64%(34)	3,570	273(2)	1/1/2006
Crystal Mall	8.66%	48,068	5,384	2/1/2003
Dadeland Mall(49)	7.45%(36)	140,000	10,425(2)	2/1/2003
Emerald Square Mall	8.13%(10)	145,000	11,795(2)	3/31/2005(4)
Fairfax Court	7.64%(34)	10,320	788(2)	1/1/2006
Florida Mall, The	7.55%	270,000	22,766	11/13/2010
Gaitway Plaza	7.64%(34)	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%	14,491	1,324	11/5/2008
Great Northeast Plaza	9.04%	17,353	2,053	6/1/2006
Greendale Mall	8.23%	41,725	3,779	11/1/2006
Gwinnett Place—1	7.54%	38,994	3,412	4/1/2007
Gwinnett Place—2	7.25%	85,257	7,070	4/1/2007
Highland Mall—1	9.75%	6,983	1,661	12/1/2009
Highland Mall—2	8.50%	83	116	10/1/2001
Highland Mall—3	9.50%	869	607	11/1/2001
Indian River Commons	7.58%	8,386	710(37)	11/1/2004
Indian River Mall	7.58%	46,533	3,941(37)	11/1/2004
Liberty Tree Mall	8.15%(3)	46,680	4,320	10/1/2001
Mall at Rockingham	7.88%	99,782	8,705	8/1/2007
Mall of America	7.16%(40)	312,000	22,336(2)	3/10/2005(4)
Mall of Georgia	7.09%	200,000	14,180(2)	7/1/2010
Mall of Georgia Crossing	7.25%	34,470	2,825	6/9/2006
Mall of New Hampshire—1	6.96%	103,811	8,345	10/1/2008
Mall of New Hampshire—2	8.53%	8,431	786	10/1/2008
Mayflower Realty Credit Facility	9.15%(39)	8,400	768(2)	7/12/2002(4)

Merchantwired	7.93%	6,609	524(2)	12/31/2005
Metrocenter	8.45%	30,360	3,031	2/28/2008
Montreal Forum	7.50%(41)	24,931	1,870(2)	1/31/2002
Northfield Square	9.15%	37,000	3,384(2)	4/30/2005(4)
Northshore Mall	9.05%	161,000	14,571(2)	5/14/2004
Ontario Mills—4	6.00%	4,198	252(2)	12/28/2009
Ontario Mills—5	6.75%	142,117	11,286	11/2/2008
Ontario Mills—6	8.00%	10,500	925	12/5/2008
Orlando Premium Outlets	8.15%(42)	56,490	4,602(2)	2/12/2004(4)
Plaza at Buckland Hills, The	7.64%(34)	17,625	1,347(2)	1/1/2006
Polska Shopping Mall	6.49%	12,355	802(2)	12/31/2011
Ridgewood Court	7.64%(34)	8,035	614(2)	1/1/2006
Royal Eagle Plaza	7.64%(34)	7,920	605(2)	1/1/2006
Seminole Towne Center	8.00%	70,500	5,640(2)	6/30/2001
Shops at Sunset Place, The	7.80%(43)	114,218	10,669	6/30/2002(4)
Smith Haven Mall	7.86%	115,000	9,039(2)	6/1/2006
Solomon Pond	7.83%	95,185	8,564	2/1/2004
Source, The	6.65%	124,000	8,246(2)	11/6/2008
Square One	8.40%	104,526	10,139	12/1/2001
Town Center at Cobb—1	7.54%	49,681	4,347	4/1/2007
Town Center at Cobb—2	7.25%	64,883	5,381	4/1/2007
Village Park Plaza	7.64%(34)	8,960	685(2)	1/1/2006
West Town Corners	7.64%(34)	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%	149,525	14,478	9/1/2005
Westchester, The—2	7.20%	53,099	4,399	9/1/2005
Westland Park Plaza	7.64%(34)	4,950	378(2)	1/1/2006
Willow Knolls Court	7.64%(34)	6,490	496(2)	1/1/2006
Yards Plaza, The	7.64%(34)	8,270	632(2)	1/1/2006

Total Joint Venture Indebtedness at Face Amounts

\$ 5,118,330

Premium on Indebtedness	\$ 17,158
Total Joint Venture Indebtedness	\$ 5,135,488(44)

(Footnotes on following page)

(Footnotes for preceding page)

- (1) Loans secured by these four Properties are cross-collateralized and cross-defaulted.
- (2) Requires monthly payment of interest only.
- (3) LIBOR + 1.50%.
- (4) Includes applicable extension available at the SPG Operating Partnership's option.
- (5) These eleven Properties are cross-collateralized and cross-defaulted.
- (6) These three Properties are cross-collateralized and cross-defaulted.
- (7) Secured by cross-collateralized and cross-dafaulted 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 + 0.37%, through an interest rate protection agreement is effectively fixed at an all-in-one rate of 6.16%.
- (9) Loans secured by these four Properties are cross-collateralized and cross-defaulted.
- (10) LIBOR + a weighted average 1.49% with LIBOR capped at a weighted average rate of 7.73%.
- (11) LIBOR + 1.00%.
- (12) Loans secured by these seven Properties are cross-collateralized and cross-defaulted.
- (13) LIBOR + 0.30%, through an interest rate protection agreement is effectively fixed at an all-in-one rate of 6.19%.
- (14) LIBOR + 1.25%.
- (15) LIBOR + 1.38%.
- (16) LIBOR + 0.50%, with LIBOR swapped at 7.24% through maturity.
- (17) LIBOR + 1.15%.
- (18) Lender also participates in a percentage of certain gross receipts above a specified base.
- (19) LIBOR + 1.65%.
- (20) LIBOR + 1.40%.
- (21) LIBOR + 1.30%, with LIBOR set using a 90 day rate.

- (22) Requires semi-annual payments of interest only.
- (23) LIBOR + 0.80%.
- (24) \$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 11.53% and 16.77%, respectively. As of 12/31/2000, \$600,519 was available after outstanding borrowings and letters of credit.
- (25) LIBOR + 0.65%. Consists of two tranches of \$450,000 and \$475,000 due 03/24/2001 and 09/24/2001, respectively. SPG and the SPG Operating Partnership are co-obligors of this debt.
- (26) The MOPPRS have an actual maturity of June 15, 2028, but are subject to mandatory tender on June 16, 2008.

- (27) Includes minority interest partners' share of consolidated indebtedness of \$156,442.
- (28) As defined in the accompanying consolidated financial statements, Joint Venture Properties are those accounted for using the equity method of accounting.
- (29) LIBOR + 1.30%, with LIBOR capped at 9.50% through maturity.
- (30) LIBOR + 1.80%.
- (31) LIBOR + 0.44%, with LIBOR capped at 8.81% through maturity.
- (32) LIBOR + 1.50%, with LIBOR capped at 7.75% through maturity.
- (33) 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 component has an interest protection agreement which caps LIBOR at a weighted average rate of 11.67%.
- (34) The interest rate on this cross-collateralized and cross-defaulted mortgage is fixed at 7.64%, interest only through 1/1/2006.
- (35) LIBOR + 1.35%.
- (36) LIBOR + 0.80%.
- (37) EUROBOR + 0.60% with EUROBOR swapped at 7.75%.
- (38) EUROBOR + 0.60%.
- (39) LIBOR + 2.50%.
- (40) LIBOR + a weighted average 0.51%, with LIBOR capped at 8.13%.
- (41) Canadian Prime.
- (42) LIBOR + 1.50%, rate may be reduced based upon project performance.
- (43) LIBOR + 1.25%, rate may be reduced based upon project performance.

- (44) Includes outside partners' share of indebtedness of \$2,968,700 and indebtedness of an affiliate of \$33,572.
- (45) LIBOR + 0.37%, LIBOR capped at a weighted average rate of 11.83%
- (46) LIBOR + a weighted average 3.34%, with LIBOR capped at 6.40%
- (47) LIBOR + 1.65%, with LIBOR capped at 8.35%
- (48) LIBOR + 2.50%, with an embedded LIBOR cap at 11.00%.
- (49) LIBOR + 0.80%, with an embedded LIBOR cap at 8.45%
- (50) Variable rate debt is stated based upon the LIBOR rate as of December 28, 2000 or 6.65%

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Item 3. Legal Proceedings

Please refer to Note 13 of the attached audited financial statements for a summary of material litigation.

The SPG Operating Partnership is 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 Registrants' Common Equity and Related Stockholder 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:

	Declared Distribution	
2000		
1st Quarter	\$	0.5050
2nd Quarter	\$	0.5050
3rd Quarter	\$	0.5050
4th Quarter	\$	0.5050
1999		
1st Quarter	\$	0.5050
2nd Quarter	\$	0.5050
3rd Quarter	\$	0.5050
4th Quarter	\$	0.5050

Holdings

The number of holders of Units was 235 as of March 16, 2001.

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 2000.

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.

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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,				
	2000(1)	1999(1)	1998(1)	1997(1)	1996(2)
	(in thousands, except per Unit data)				
OPERATING DATA:					
Total revenue	\$ 2,000,711	\$ 1,880,235	\$ 1,400,189	\$ 1,054,167	\$ 747,704
Income before unusual item, extraordinary items, and cumulative effect of accounting change	353,358	309,843	233,256	203,133	134,663
Net income available for Unitholders	\$ 262,988	\$ 221,815	\$ 198,931	\$ 173,943	\$ 118,448
BASIC EARNINGS PER UNIT:					
Income before extraordinary items and cumulative effect of accounting change	\$ 1.16	\$ 0.98	\$ 1.01	\$ 1.08	\$ 1.02
Extraordinary items	—	(0.03)	0.04	—	(0.03)
Cumulative effect of accounting change	(0.05)	—	—	—	—
Net income	\$ 1.11	\$ 0.95	\$ 1.05	\$ 1.08	\$ 0.99
Weighted average Units outstanding	236,536	232,569	189,082	161,023	120,182
DILUTED EARNINGS PER UNIT:					
Income before extraordinary items	\$ 1.16	\$ 0.98	\$ 1.01	\$ 1.08	\$ 1.01
Extraordinary items	—	(0.03)	0.04	—	(0.03)
Cumulative effect of accounting change	(0.05)	—	—	—	—
Net income	\$ 1.11	\$ 0.95	\$ 1.05	\$ 1.08	\$ 0.98
Diluted weighted average Units outstanding	236,635	232,706	189,440	161,407	120,317
Distributions per Unit(3)	\$ 2.02	\$ 2.02	\$ 2.02	\$ 2.01	\$ 1.63
BALANCE SHEET DATA:					
Cash and cash equivalents	\$ 209,755	\$ 153,743	\$ 124,466	\$ 109,699	\$ 64,309
Total assets	13,758,826	14,046,727	13,112,916	7,662,667	5,895,910
Mortgages and other indebtedness	8,728,582	8,768,841	7,972,381	5,077,990	3,681,984
Partners' equity (deficit)	\$ 4,302,401	\$ 4,553,237	\$ 4,587,801	\$ 2,251,299	\$ 1,945,174
OTHER DATA:					
Cash flow provided by (used in):					
Operating activities	\$ 700,576	\$ 619,850	\$ 543,663	\$ 370,907	\$ 236,464
Investing activities	(87,670)	(595,460)	(2,099,009)	(1,243,804)	(199,742)
Financing activities	(556,894)	4,887	1,570,113	918,287	(35,134)
Ratio of Earnings to Fixed Charges(4)	1.53x	1.50x	1.56x	1.68x	1.64x

Notes

(1) Notes 3, 4 and 5 to the accompanying financial statements describe the NED Acquisition and the CPI Merger, which occurred August 27, 1999 and September 24, 1998, respectively, and other 1999 and 1998 real estate acquisitions and development.

(2) Beginning August 9, 1996, results include the DRC Merger.

(3) Represents distributions declared per period, which, in 1996, includes a distribution of \$0.1515 per Unit declared on August 9, 1996, in connection with the DRC Merger, designated to align the time periods of distributions of the merged companies. The current annual distribution rate is \$2.02 per Unit.

(4) In 1999, includes a \$12,000 unusual loss (see Note 13 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.

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

You should read the following discussion in conjunction with the Selected Financial Data, and all of the financial statements and notes thereto that are included in this report. Certain statements made in this report may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others, the following: general economic and business conditions, which will, among other things, affect demand for retail space or retail goods, availability and creditworthiness of prospective tenants, lease rents and the terms and availability of financing; adverse changes in the

real estate markets including, among other things, competition with other companies and technology; risks of real estate development and acquisition; governmental actions and initiatives; substantial indebtedness; conflicts of interests; maintenance of REIT status; and environmental/safety requirements. 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 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 partnership interests ("Units") in the SPG Operating Partnership are paired with a Unit in SPG Realty Consultants, L.P. (the "SRC Operating Partnership"). 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, management, leasing, acquisition, expansion and development of real estate properties, primarily regional malls and community shopping centers. As of December 31, 2000, we owned or held an interest in 251 income-producing properties in the United States, which consisted of 164 regional malls, 73 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"), five additional retail real estate properties operating in Europe, and two properties currently under construction and 11 parcels of land held for future development (the "Portfolio" or the "Portfolio Properties"). At both December 31, 2000 and 1999, the Companies' direct and indirect ownership interests in the Operating Partnerships were 72.4%. We also hold substantially all of the economic interest in M.S. Management Associates, Inc. (the "Management Company"). See Note 8 to the attached financial statements for a description of the activities of the Management Company.

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Our operating results for the two years ended December 31, 2000 and 1999, and their comparability to the respective prior periods, were significantly impacted by a number of Property acquisitions and openings beginning in 1998. The greatest impact on results of operations has come from the September 24, 1998 acquisition, through merger, of Corporate Property Investors, Inc. ("CPI") and Corporate Realty Consultants, Inc. (the "CPI Merger") (see Note 4 to the financial statements). In addition, we acquired ownership interests in, or commenced operations of, a number of other Properties throughout the comparative periods and, as a result, increased the number of Properties we account for using the consolidated method of accounting and sold interests in several Properties throughout the comparative periods (together with the CPI merger, the "Property Transactions"). "Liquidity and Capital Resources" contains additional information on the 2000 activity and Note 5 to the financial statements contains information about acquisitions and dispositions prior to 2000.

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. We previously recognized overage rent based on reported and estimated sales through the end of the period, less the applicable prorated base sales amount. We adopted SAB 101 effective January 1, 2000 and recorded a loss from the cumulative effect of an accounting change of \$12.3 million, which includes our \$1.8 million share from unconsolidated entities.

Results of Operations

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

Operating income increased \$55.2 million or 6.5% 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 \$44.4 million or 5.2%, 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. 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.

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 \$9.1 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

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\$142.6 million, partially offset by a \$10.6 million asset write-down on two Properties recognized in the second quarter of 2000. In 1999, we recognized a net loss of \$7.1 million on the sale of four Properties.

Income from unconsolidated entities increased \$34.7 million in 2000, resulting from a \$26.1 million increase in income from the Management Company and an \$8.6 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. 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.

Year Ended December 31, 1999 vs. Year Ended December 31, 1998

Operating income increased \$212.7 million or 33.2% in 1999 as compared to 1998. This increase is primarily the result of the CPI Merger (\$141.3 million) and the Property Transactions (\$23.0 million). Excluding these transactions, operating income increased approximately \$48.5 million, primarily resulting from an approximately \$15.1 million increase in consolidated revenues realized from marketing initiatives throughout the Portfolio from our strategic marketing division, Simon Brand Ventures ("SBV"); a \$39.1 million increase in minimum rents; a \$6.3 million increase in gains from sales of peripheral properties; a \$7.2 million increase in interest income and a \$4.3 million increase in lease settlement income, partially offset by a \$14.1 million increase in depreciation and amortization and an \$8.6 million decrease in fee income. 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 \$7.9 million increase in rents from tenants operating under license agreements. The increase in depreciation and amortization is primarily due to an increase in depreciable real estate realized through renovation and expansion activities.

Interest expense increased \$159.6 million, or 38.0% in 1999 as compared to 1998. This increase is primarily a result of the CPI Merger (\$124.9 million) and the Property Transactions (\$18.0 million). The remaining increase includes incremental interest resulting from our 1998 issuance of \$1.1 billion of public notes, the proceeds of which were used primarily to pay down the Credit Facility (see Liquidity and Capital Resources) (\$4.5 million), and incremental interest on borrowings under our Credit Facility to complete the NED Acquisition, and acquire ownership interests in the IBM Properties and Mall of America (\$6.3 million) (see Liquidity and Capital Resources and Notes 3 & 5 to the financial statements).

Income from unconsolidated entities increased \$21.5 million in 1999, resulting from an increase in our share of income from partnerships and joint ventures (\$22.6 million), partially offset by a decrease in its share of the income from the Management Company (\$1.1 million). The increase in our share of income from partnerships and joint ventures is primarily the result of the joint venture interests acquired in the CPI Merger (\$11.4 million), the IBM Properties (\$3.2 million) and the NED Acquisition (\$3.1 million). The decrease in Management Company income is primarily the result of losses associated with interests in two parcels of land held by the Management Company (\$7.3 million),

partially offset by increases in SBV revenues (\$2.9 million), construction services revenues (\$1.3 million) and increased earnings from a subsidiary captive insurance company (\$1.1 million).

As discussed further in Note 13 to the financial statements, the \$12.0 million unusual item in 1999 is the estimated result of damages arising from the litigation surrounding the 1996 acquisition through merger of DeBartolo Realty Corporation (the "DRC Merger"). The actual amount of damages has not yet been determined by the courts.

The \$6.7 million extraordinary loss and \$7.1 million extraordinary gain in 1999 and 1998, respectively, are the net results from refinancings, early extinguishments and/or forgiveness of debt.

Net income was \$291.1 million during 1999, an increase of \$50.7 million over 1998, 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.

Liquidity and Capital Resources

As of December 31, 2000, our balance of unrestricted cash and cash equivalents was \$209.8 million, including \$116.5 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 \$598.5 million at December 31, 2000. The Credit Facility bears interest at LIBOR plus 65 basis points and 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 bond 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

Financing and Debt

At December 31, 2000, we had consolidated debt of \$8.7 billion, of which \$6.1 billion was fixed-rate debt, bearing interest at a weighted average rate of 7.3% and \$2.6 billion was variable-rate debt bearing interest at a weighted average rate of 7.5%. As of December 31, 2000, we had interest rate protection agreements

related to \$404.0 million of combined consolidated variable-rate debt. Our interest rate protection agreements did not materially impact interest expense or weighted average borrowing rates in 2000.

Our share of total scheduled principal payments of mortgage and other indebtedness, including unconsolidated joint venture indebtedness over the next five years is \$7.1 billion, with \$3.6 billion thereafter. We, together with SPG and the SRC Operating Partnership (See Note 1 to the financial statements), have a combined ratio of consolidated debt-to-market capitalization of 57.0% and 58.1% at December 31, 2000 and 1999, respectively.

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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, 2000, a 0.25% increase in the market rates of interest would decrease future earnings and cash flows by approximately \$5.9 million, and would decrease the fair value of debt by approximately \$220.0 million. A 0.25% decrease in the market rates of interest would increase future earnings and cash flows by approximately \$5.9 million, and would increase the fair value of debt by approximately \$230.0 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.

The following summarizes significant financing and refinancing transactions completed in 2000:

Secured Indebtedness. During 2000, we refinanced approximately \$1.1 billion of mortgage indebtedness on twelve of the Properties. Our share of the refinanced debt is approximately \$556 million. The weighted average maturity of the indebtedness increased from approximately 0.6 years to 6.7 years, while the weighted average interest rates increased from approximately 7.77% to 7.84%.

Credit Facility. During 2000 the maximum and average amounts outstanding under the Credit Facility were \$830 million and \$715 million, respectively. The weighted average interest rate was 7.34% for 2000.

Unsecured Notes. On March 24, 2000, we refinanced \$450.0 million of unsecured debt, which became due and bore interest at LIBOR plus 65 basis points. The new facility matures March 24, 2001 and also bears interest at LIBOR plus 65 basis points. In addition, during September 2000, we refinanced \$500.0 million of unsecured debt, which became due and bore interest at LIBOR plus 65 basis points, with a new \$475.0 million facility and borrowings from the Credit Facility. The new \$475.0 million facility matures September 2001 and bears interest at LIBOR plus 65 basis points.

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 Merger Facility due March 24, 2001 and to repay a portion of the Merger Facility due September 24, 2001.

Acquisitions and Disposals

We continue to review and evaluate a limited number of individual property and portfolio acquisition opportunities. However, due to the rapid consolidation of the regional mall business and the current status of the capital markets, we believe that acquisition activity in the near term will be a less significant component of our growth strategy. We believe funds on hand, and amounts available under the Credit Facility, together with the ability to issue Units, provide the 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 through the sale of debt or equity securities, to finance significant acquisitions, if any.

See Note 5 to the financial statements for 1999 and 1998 acquisition activity.

Disposals. During 2000, we sold our interests in two regional malls, four community shopping centers and an office building for a total of approximately \$142.6 million, including the buyer's assumption of approximately \$25.9 million of mortgage debt, which resulted in a net gain of

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\$19.7 million. The net proceeds of \$114.6 million were used to reduce the outstanding borrowings on the Credit Facility, to repurchase Paired Shares and Units and for general corporate purposes.

In addition, on July 31, 2000, we sold our 1,408,450 shares of common stock of Chelsea Property Group, Inc. for \$50.0 million, which equaled our original investment. No gain or loss was recognized on the transaction. The net proceeds were used for general corporate 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. We expect the sale prices of any non-core assets, if sold, will not differ materially from the carrying value of the related assets.

Development Activity

New Developments. Development activities are an ongoing part of our business. During 2000, we opened two new Properties aggregating approximately 1.7 million square feet of GLA. In total, we invested approximately \$179.6 million on new developments in 2000. With fewer new developments currently under construction, we expect 2001 development costs to be approximately \$76.2 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. During 2000, we invested approximately \$201.6 million on redevelopment projects and completed five major redevelopment projects, which added approximately 1.2 million square feet of GLA to the Portfolio. We have a number of renovation and/or expansion projects currently under construction, or in preconstruction development and expect to invest approximately \$121.0 million on redevelopment in 2001.

International Expansion. The SPG Operating Partnership and the Management Company have a 29% ownership interest in European Retail Enterprises, B.V. ("ERE") and Groupe BEG, S.A. ("BEG"), respectively, which are accounted for using the equity method of accounting. BEG and ERE are fully integrated European retail real estate developers, lessors and managers. Our total cash investment in ERE and BEG at December 31, 2000 was approximately \$45.8 million,

with commitments for an additional \$16.6 million, subject to certain performance and other criteria, including our approval of development projects. The agreements with BEG and ERE are structured to allow us to acquire an additional 25% ownership interest over time. As of December 31, 2000, BEG and ERE had three Properties open in Poland and two in France.

Technology Initiatives. We continue to evolve our technology initiatives through our association with several third party participants. Through MerchantWired LLC, we are creating, along with all the other leading retail real estate developers, a full service retail infrastructure company that provides retailers across the country access to a high speed, highly reliable and secure broadband network. We own an approximately 53% noncontrolling interest in MerchantWired LLC and account for it using the equity method of accounting. In addition, in 2000 we joined with other leading real estate companies across a broad range of property sectors to form Constellation Real Technologies, which is designed to form, incubate and sponsor real estate-related Internet, e-commerce and technology enterprises; acquire interests in existing "best of breed" companies; and act as a consolidator of real estate technology across property sectors. In September, Constellation announced its initial investment of \$25.0 million in FacilityPro.com, a business-to-business electronic marketplace designed for the efficient procurement of facilities' products and services. Our share of this investment is \$2.5 million.

These new activities may generate losses in the initial years of operation, while programs are being developed and customer bases are being established. We have investments totaling approximately \$28.9 million related to such programs through December 31, 2000. We expect to continue to invest in these programs over the next two years and together with the other members of MerchantWired, LLC

have guaranteed our pro rata share of equipment lease payments up to \$46.0 million. There is no assurance that our technology programs will succeed.

Capital Expenditures on Consolidated Properties

	2000	1999	1998
New Developments	\$ 58	\$ 226	\$ 22
Renovations and Expansions	194	248	250
Tenant Allowances	65	64	46
Operational Capital Expenditures	49	27	18
Other	—	—	12
Total	\$ 366	\$ 565	\$ 348

Distributions

We declared distributions in 2000 aggregating \$2.02 per Unit. On February 6, 2001, we declared a distribution of \$0.5050 per Unit payable on February 28, 2001, to Unitholders of record on February 16, 2001. The current annual distribution rate is \$2.02 per Unit. Future distributions will be determined based on actual results of operations and cash available for distribution.

Investing and Financing Activities

Pursuant to a stock repurchase program authorized by the Board of Directors of SPG, on August 8, 2000, we purchased 1,596,100 Paired Shares at an average price of \$25.00 per Paired Share. The purchase is part of a plan announced by management earlier in the year to make opportunistic repurchases of Paired Shares during 2000 funded solely by a portion of the net proceeds realized from sales of our non-core assets.

During 2000, 478,454 limited partner units were purchased for approximately \$11.1 million.

Cash used in investing activities during 2000 includes capital expenditures of \$409.7 million, investments in unconsolidated joint ventures of \$161.6 million consisting primarily of development funding, \$1.3 million in acquisition costs, \$19.6 million of funding through the note receivable from the SRC Operating Partnership primarily for technology initiatives, and \$20.3 million of investments in and advances to the Management Company. Capital expenditures include development costs of \$61.5 million, renovation and expansion costs of approximately \$233.3 million and tenant costs, and other operational capital expenditures of approximately \$114.9 million. These uses of cash are partially offset by distributions from unconsolidated entities of \$360.3 million; net proceeds of \$114.6 million from the sales of our interests in two regional malls, four community shopping centers and an office building; and net proceeds of \$50.0 million from the sale of stock held as an investment. Distributions from unconsolidated entities includes approximately \$277.1 million resulting from financing activities, with the remainder resulting primarily from those entities' operating activities.

Cash used in financing activities during 2000 includes net equity distributions of \$554.6 million, \$50.8 million to purchase treasury stock and limited partner units, and net debt proceeds of \$48.5 million.

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 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.

Retail Climate and Tenant Bankruptcies

A number of local, regional, and national retailers, including both in-line and anchor tenants, have recently announced store closings or filed for bankruptcy. Some changeover in tenants is normal in our business. We lost 800,000 square feet of tenants in 2000 to bankruptcies or restructurings. 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.

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 also is a factor because no single retailer represents 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.

Environmental Matters

See Note 13 in the Notes to Financial Statements for discussion of environmental matters.

New Accounting Pronouncements

See Footnote 15 of the Notes to Financial Statements for a discussion of the impact of new accounting pronouncements.

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.

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 Statements 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 REGISTRANT" 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.

PART IV

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

		Page No.
(a)	(1) <i>Financial Statements</i>	
	Report of Independent Public Accountants	49
	Consolidated Balance Sheets as of December 31, 2000 and 1999	50
	Consolidated Statements of Operations for the years ended December 31, 2000, 1999 and 1998	51
	Consolidated Statements of Partners' Equity for the years ended December 31, 2000, 1999 and 1998	52
	Consolidated Statements of Cash Flows for the years ended December 31, 2000, 1999 and 1998	55
	Notes to Financial Statements	56
	(2) <i>Financial Statement Schedules</i>	
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	Simon Property Group, L.P. Schedule III—Schedule of Real Estate and Accumulated Depreciation	
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	(3) <i>Exhibits</i>	
	The Exhibit Index attached hereto is hereby incorporated by reference to this Item.	85
(b)	<i>Reports on Form 8-K</i>	
	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, 2000 and 1999, and the related consolidated statements of operations, partners' equity and cash flows for each of the three years in the period ended December 31, 2000. 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, 2000 and 1999, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

As explained in Note 15 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

February 7, 2001.

Balance Sheets

Simon Property Group, L.P. Consolidated

(Dollars in thousands)

	December 31, 2000	December 31, 1999
ASSETS:		
Investment properties, at cost	\$ 12,883,471	\$ 12,640,146
Less—accumulated depreciation	1,471,178	1,093,103
	11,412,293	11,547,043
Cash and cash equivalents	209,755	153,743

Tenant receivables and accrued revenue, net	294,775	287,950
Notes and advances receivable from Management Company and affiliates	182,401	162,082
Note receivable from the SRC Operating Partnership (Interest at 8%, due 2009)	29,425	9,848
Investment in unconsolidated entities, at equity	1,308,838	1,519,504
Other investment	—	41,902
Goodwill, net	38,384	39,556
Deferred costs and other assets, net	240,578	249,168
Minority interest	42,377	35,931
Total assets	\$ 13,758,826	\$ 14,046,727

LIABILITIES:

Mortgages and other indebtedness	\$ 8,728,582	\$ 8,768,841
Accrued distributions	18,266	876
Accounts payable and accrued expenses	437,860	476,904
Cash distributions and losses in partnerships and joint ventures, at equity	44,634	32,995
Other liabilities	227,083	213,874
Total liabilities	9,456,425	9,493,490

COMMITMENTS AND CONTINGENCIES (Note 13)

PARTNERS' EQUITY:

Preferred units, 22,049,570 and 22,066,056 units outstanding, respectively. Liquidation values \$1,058,950 and \$1,062,589, respectively (Note 11)	1,028,435	1,032,320
General Partners, 170,274,816 and 171,494,311 units outstanding, respectively	2,451,452	2,631,618
Limited Partners, 64,966,226 and 65,444,680 units outstanding, respectively	935,321	1,004,263
Note receivable from SPG (Interest at 7.8%, due 2009)	(92,825)	(92,825)
Unamortized restricted stock award	(19,982)	(22,139)
Total partners' equity	4,302,401	4,553,237
Total liabilities and partners' equity	\$ 13,758,826	\$ 14,046,727

The accompanying notes are an integral part of these statements.

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

	For the Year Ended December 31,		
	2000	1999	1998
REVENUE:			
Minimum rent	\$ 1,215,623	\$ 1,134,297	\$ 847,198
Overage rent	56,200	60,720	49,441
Tenant reimbursements	596,578	578,752	427,921
Other income	132,310	106,466	75,629
Total revenue	2,000,711	1,880,235	1,400,189
EXPENSES:			
Property operating	308,432	292,249	225,899
Depreciation and amortization	416,239	378,192	266,978
Real estate taxes	188,077	185,340	133,038
Repairs and maintenance	73,392	70,364	53,189
Advertising and promotion	64,726	65,216	50,521
Provision for credit losses	9,603	8,367	6,599

Other	32,288	27,796	23,956
Total operating expenses	1,092,757	1,027,524	760,180
OPERATING INCOME	907,954	852,711	640,009
INTEREST EXPENSE	637,325	579,848	420,280
INCOME BEFORE MINORITY INTEREST	270,629	272,863	219,729
MINORITY INTEREST	(10,725)	(10,719)	(7,335)
GAIN (LOSS) ON SALES OF ASSETS, NET OF ASSET WRITE DOWNS OF \$10,572, \$0 AND \$0 RESPECTIVELY	9,132	(1,942)	(7,283)
INCOME BEFORE UNCONSOLIDATED ENTITIES	269,036	260,202	205,111
INCOME FROM UNCONSOLIDATED ENTITIES	84,322	49,641	28,145
INCOME BEFORE UNUSUAL ITEM, EXTRAORDINARY ITEMS AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE	353,358	309,843	233,256
UNUSUAL ITEM (Note 13)	—	(12,000)	—
EXTRAORDINARY ITEMS — DEBT RELATED TRANSACTIONS	(649)	(6,705)	7,146
CUMULATIVE EFFECT OF ACCOUNTING CHANGE (Note 15)	(12,311)	—	—
NET INCOME	340,398	291,138	240,402
PREFERRED UNIT REQUIREMENT	(77,410)	(69,323)	(41,471)
NET INCOME AVAILABLE TO UNITHOLDERS	\$ 262,988	\$ 221,815	\$ 198,931
NET INCOME AVAILABLE TO UNITHOLDERS ATTRIBUTABLE TO:			
General Partners:			
SPG (Managing General Partner)	\$ 63,987	\$ 51,860	\$ 14,243
SPG Properties and SD Property Group (Note 10)	126,385	108,428	\$ 116,509
Limited Partners	72,616	61,527	68,179
Net income	\$ 262,988	\$ 221,815	\$ 198,931
BASIC AND DILUTED EARNINGS PER UNIT:			
Income before extraordinary items and cumulative effect of accounting change	\$ 1.16	\$ 0.98	\$ 1.01
Extraordinary items	—	(0.03)	0.04
Cumulative effect of accounting change	(0.05)	—	—
Net income	\$ 1.11	\$ 0.95	\$ 1.05

The accompanying notes are an integral part of these statements.

Statements Partners' Equity
Simon Property Group, L.P. Consolidated
(Dollars in thousands)

	General Partners				Unamortized Restricted Stock Award	Note Receivable from SPG	Total Partners' Equity
	Preferred Units	SPG (Managing General Partner)	SPG Properties and SD Property Group	Limited Partners			
Balance at December 31, 1997	339,061	—	1,231,031	694,437	(13,230)	—	2,251,299
General Partner Contributions (2,957,335 units)			91,399				91,399
CPI Merger (Note 4):							
Preferred Units (5,053,580)	717,916						717,916
Units (47,790,550)		1,605,638					1,605,638
Units issued in connection with acquisitions (519,889 and 2,344,199 units, respectively)			17,176	76,263			93,439
Stock incentive program (495,131 units, net of forfeitures)			15,983		(15,983)		—
Amortization of stock incentive					9,463		9,463
Other (Accretion of Preferred Units, 81,111 general partner Units issued and 12,804 limited partner Units redeemed)	268	340	2,160	(289)			2,479
Adjustment to allocate net equity of the SPG Operating Partnership		(866,564)	557,642	308,922			—
Distributions	(41,471)	(1,746)	(240,857)	(136,551)			(420,625)

Subtotal	1,015,774	737,668	1,674,534	942,782	(19,750)	—	4,351,008
Comprehensive Income:							
Net income	41,471	14,243	116,509	68,179			240,402
Unrealized loss on long-term investments		37	(2,331)	(1,315)			(3,609)
Total Comprehensive Income	41,471	14,280	114,178	66,864	—	—	236,793
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
			52				
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)
Subtotal	962,997	866,694	1,610,614	945,032	(22,139)	(92,825)	4,270,373
Comprehensive Income:							
Net income	69,323	22,524	137,764	61,527			291,138
Unrealized gain on long-term investments		(2,004)	(3,974)	(2,296)			(8,274)
Total Comprehensive Income	69,323	20,520	133,790	59,231	—	—	282,864
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)
Preferred Unit 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)
Subtotal	951,025	749,005	1,506,223	860,459	(19,982)	(92,825)	3,953,905
			53				
Comprehensive Income:							
Net income	77,410	63,987	126,385	72,616			340,398
Unrealized loss on long-term investments		1,967	3,885	2,246			8,098
Total Comprehensive Income	77,410	65,954	130,270	74,862	—	—	348,496
Balance at December 31, 2000	\$ 1,028,435	\$ 814,959	\$ 1,636,493	\$ 935,321	\$ (19,982)	\$ (92,825)	\$ 4,302,401

The accompanying notes are an integral part of these statements.

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

For the Year Ended December 31,

	2000	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$ 340,398	\$ 291,138	\$ 240,402
Adjustments to reconcile net income to net cash provided by operating activities—			
Depreciation and amortization	426,648	390,020	277,346
Extraordinary items	649	6,705	(7,146)
Unusual Item	—	12,000	—
(Gain) loss on sales of assets, net of asset write downs of \$10,572, \$0 and \$0, respectively	(9,132)	1,942	7,283
Cumulative effect of accounting change	12,311	—	—
Straight-line rent	(15,372)	(17,666)	(9,261)
Minority interest	10,725	10,719	7,335
Equity in income of unconsolidated entities	(84,322)	(49,641)	(28,145)
Changes in assets and liabilities—			
Tenant receivables and accrued revenue	(3,151)	(37,225)	(13,316)
Deferred costs and other assets	(3,730)	(23,242)	(7,289)
Accounts payable, accrued expenses and other liabilities	25,552	35,100	76,454
Net cash provided by operating activities	700,576	619,850	543,663
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions	(1,325)	(339,065)	(1,942,724)
Capital expenditures	(409,733)	(488,712)	(345,026)
Cash from mergers, acquisitions and consolidation of joint ventures, net	—	83,169	16,563
Change in restricted cash	—	—	7,686
Net proceeds from sale of assets	114,576	46,750	46,087
Investments in unconsolidated entities	(161,580)	(83,124)	(55,523)
Distributions from unconsolidated entities	360,290	221,509	195,497
Investment in and advances to the Management Company and affiliates	(20,319)	(46,704)	(21,569)
Mortgage loan payoff from the SRC Operating Partnership	—	20,565	—
Loan to the SRC Operating Partnership	(19,577)	(9,848)	—
Net proceeds from sale of investment	49,998	—	—
Net cash used in investing activities	(87,670)	(595,460)	(2,099,009)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Partnership contributions	1,190	1,463	92,570
Purchase of treasury units and limited partner units	(50,828)	—	—
Partnership distributions	(539,538)	(538,807)	(417,164)
Minority interest distributions, net	(16,224)	(14,923)	(19,694)
Loan payoff to the SRC Operating Partnership	—	(17,907)	—
Mortgage and other note proceeds, net of transaction costs	1,474,527	2,168,069	3,782,314
Mortgage and other note principal payments	(1,426,021)	(1,593,008)	(1,867,913)
Net cash (used in) provided by financing activities	(556,894)	4,887	1,570,113
INCREASE IN CASH AND CASH EQUIVALENTS	56,012	29,277	14,767
CASH AND CASH EQUIVALENTS, beginning of period	153,743	124,466	109,699
CASH AND CASH EQUIVALENTS, end of period	\$ 209,755	\$ 153,743	\$ 124,466

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 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 primarily in the ownership, operation, management, leasing, acquisition, expansion and development of real estate properties, primarily regional malls and community shopping centers. As of December 31, 2000, the SPG Operating Partnership owned or held an interest in 251 income-producing properties in the United States, which consisted of 164 regional malls, 73 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") and five additional retail real estate properties operating in Europe. SPG and the SPG Operating Partnership also owned an interest in two properties currently under construction and 11 parcels of land held for future development, which together with the Properties are hereafter referred to as the "Portfolio Properties". The SPG Operating Partnership also holds substantially all of the economic interest in M.S. Management Associates, Inc. (the "Management Company"). See Note 8 for a description of the activities of the Management Company.

The Companies have recently formed Simon Brand Ventures, LLC ("SBV"), a business to consumer initiative, and Simon Brand Network ("SBN"), a business-to-business initiative, to continue to expand upon certain mall marketing initiatives to take advantage of the SPG Operating Partnership's size and tenant relationships, through strategic corporate alliances. Beginning in 2000, certain SBV income, previously included in Management Company's results of operations, was included in SRC's results of operations. SBV is focused on leveraging the SPG Operating Partnership's 100 million unique shoppers and their 2 billion annual shopping visits to contribute to the SPG Operating Partnership's second-curve revenue strategy. The SBV concept and initiatives were started in 1997 to create a new medium for connecting consumers with retailers and sponsors by developing a combination of shopping, entertainment and community. SBN is focused on leveraging the SPG Operating Partnership's assets to create new businesses which will drive greater value to its Portfolio Properties, retailers and other developers and generate new sources of revenue for the SPG Operating Partnership. SBN's strategy is to provide a competitively valued, broad based offering of products and services via a unique and dominant business-to-business marketplace and service network focused on the real estate industry and their tenants. Effective January 1, 2001, ownership of SBV transferred from SRC to the SPG Operating Partnership.

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. Like most retail properties, the SPG Operating

Partnership's regional malls and community shopping centers rely heavily upon anchor tenants. As of December 31, 2000, 333 of the approximately 975 anchor stores in the Properties were occupied by three retailers. An affiliate of one of these retailers is a limited partner in the Operating Partnerships.

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. The consolidated financial statements reflect the CPI Merger (see Note 4) as of the close of business on September 24, 1998.

Properties which are wholly-owned or owned less than 100% and are controlled by the SPG Operating Partnership are accounted for using the consolidation method of accounting. 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 were recorded when a partnership agreement provided 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 which represent noncontrolling ownership interests ("Joint Venture Properties") and the investment in the Management Company (see Note 8) 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 11), based on its partners' weighted average ownership interests during the period. SPG's weighted average direct and indirect ownership interest in the SPG Operating Partnership during 2000, 1999 and 1998 were 72.4%, 72.3% and 66.2%, respectively. At December 31, 2000 and 1999, SPG's direct and indirect ownership interest in the SPG Operating Partnership was 72.4%.

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 \$530,000 of mortgage indebtedness; \$177,050 in cash; the issuance of 1,269,446 Paired Units valued at approximately \$36,400; the issuance of 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. The SPG Operating Partnership's share of the cash portion of the purchase price was financed primarily using the Credit Facility (see Note 9).

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. CPI Merger

As of the close of business on September 24, 1998, the CPI Merger was consummated pursuant to the Agreement and Plan of Merger dated February 18, 1998, among Simon DeBartolo Group, Inc., Corporate Property Investors, Inc. ("CPI"), and Corporate Realty Consultants, Inc. ("CRC"). The CPI Merger included the addition of 23 regional malls, one community center, two office buildings and one regional mall and one community center under construction.

The aggregate value associated with the completion of the CPI Merger was approximately \$5.9 billion, including transaction costs and liabilities assumed, in accordance with the purchase method of accounting and has been allocated to the estimated fair value of the CPI assets acquired and liabilities assumed and resulted in goodwill of \$41,021, as adjusted. Goodwill is amortized over the estimated life of the properties of 35 years.

In connection with the CPI Merger, CPI was renamed "Simon Property Group, Inc." CPI's paired-share affiliate, Corporate Realty Consultants, Inc., was renamed "SPG Realty Consultants, Inc." In addition, Simon DeBartolo Group ("SDG") and Simon DeBartolo Group, L.P. ("SDG, LP") were renamed "SPG Properties, Inc.", and "Simon Property Group, L.P.", respectively.

Upon completion of the CPI Merger, SPG transferred substantially all of the CPI assets acquired (other than one regional mall, Ocean County Mall, and certain net leased properties valued at approximately \$153,100) to the SPG Operating Partnership or one or more subsidiaries of the SPG Operating Partnership in exchange for 47,790,550 Units and 5,053,580 preferred Units in the SPG Operating Partnership.

SDG, LP contributed cash to CRC and the SRC Operating Partnership on behalf of the SDG common stockholders and the limited partners of SDG, LP to obtain the beneficial interests in common stock of CRC, which were paired with the shares of common stock issued by SPG, and to obtain Units in the SRC Operating Partnership so that the limited partners of the SPG Operating Partnership would hold the same proportionate interest in the SRC Operating Partnership that they hold in the SPG Operating Partnership. The cash contributed to CRC and the SRC Operating Partnership in exchange for an ownership interest therein have been appropriately accounted for as capital infusion or equity transactions. The assets and liabilities of CRC are reflected at historical cost.

Pro Forma

The following unaudited pro forma summary financial information excludes any extraordinary items and reflects the consolidated results of operations of the SPG Operating Partnership as if the CPI Merger had occurred on January 1, 1998, and was carried forward through December 31, 1998. Preparation of the pro forma summary information was based upon assumptions deemed appropriate by management. The pro forma summary information is not necessarily indicative of the results which

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actually would have occurred if the CPI Merger had been consummated on January 1, 1998, nor does it purport to represent the results of operations for future periods.

	Year Ended December 31, 1998
Revenue	\$ 1,695,204
Net income(1)	273,088
Net income available to Unitholders	191,312
Basic net income per Unit(1)	\$ 0.85
Diluted net income per Unit	\$ 0.85
Basic weighted average number of Units	224,041,500
Diluted weighted average number of Units	224,398,649

(1)

Includes net gains on the sales of assets of \$37,973, or \$0.17 on a basic earnings per Unit basis.

5. Other Real Estate Acquisitions and Disposals

Acquisitions

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 \$317,850, including the assumption of \$134,300 of mortgage indebtedness, 1,000,000 shares of 8% Redeemable Preferred Stock in SPG issued at \$24,242, 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.

On February 27, 1998, the SPG Operating Partnership acquired a noncontrolling 50% joint venture interest in a portfolio of twelve regional malls and two community centers (the "IBM Properties") comprising approximately 10.7 million square feet of GLA. The SPG Operating Partnership's \$487,250 share of the

purchase price included the assumption of indebtedness of \$242,500. The SPG Operating Partnership also assumed leasing and management responsibilities for six of the regional malls and one community center. The SPG Operating Partnership funded its share of the cash portion of the purchase price using borrowings from an interim \$300,000 unsecured revolving credit facility, which was subsequently retired using borrowings from the Credit Facility.

During 1998, the SPG Operating Partnership acquired 100% of one Property, a 90% interest in another Property and additional interests in a total of six Properties for approximately \$199,200, including the assumption of \$62,100 of indebtedness and 2,864,088 Units valued at approximately \$93,500, with the remainder in cash financed primarily through the Credit Facility and working capital. These transactions resulted in the addition of approximately 1.1 million square feet of GLA to the portfolio.

Disposals

During 2000, 1999 and 1998, the SPG Operating Partnership sold ownership interests in seven, two and five properties, respectively, at a combined gross sale price of \$142,575, \$46,750 and \$120,000, respectively. These sales generated net combined consolidated gains (losses) of \$19,704, (\$1,942) and (\$7,283) in 2000, 1999 and 1998, respectively. The SPG Operating Partnership is continuing to pursue the sale of its remaining non-retail holdings, along with a number of retail assets that are no longer aligned with the SPG Operating Partnership's strategic criteria. If these assets are sold, management expects the sale prices will not differ materially from the carrying value of the related assets.

6. Summary of Significant Accounting Policies

Investment Properties

Investment Properties are recorded at cost (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 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. 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.

Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States, which 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 2000, 1999 and 1998 was \$18,210, \$19,641 and \$10,567, respectively.

Segment Disclosure

The SPG Operating Partnership's interests in its regional malls, community centers and other assets represent one segment as they have similar economic and environmental conditions, business processes, types of customers (i.e. tenants) and services provided, and 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 in other investments in the balance sheets 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, costs of interest rate protection agreements, and internal and external leasing commissions and related costs. Deferred financing costs, including interest rate protection agreements, 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 costs of \$138,396 and \$137,133 are net of accumulated amortization of \$148,967 and \$121,468 as of December 31, 2000 and 1999, respectively.

Interest expense in the accompanying Statements of Operations includes amortization of deferred financing costs of \$15,798, \$17,535, and \$11,835, for 2000, 1999 and 1998, respectively, and has been reduced by amortization of debt premiums and discounts of \$5,391, \$5,707 and \$1,465 for 2000, 1999 and 1998, respectively.

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 Companies recognize overage rents only when each tenant's sales exceeds its sales threshold. Previously, overage rents were recognized as revenues based on reported and estimated sales for each tenant through December 31, less the applicable base sales amount. Differences between estimated and actual amounts are recognized in the subsequent year. See Note 15 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.

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 2000, 1999 and 1998 was as follows:

Year Ended	Balance at Beginning of Year	Provision for Credit Losses	Accounts Written Off	Balance at End of Year
December 31, 2000	\$ 14,488	\$ 9,603	\$ (4,023)	\$ 20,068
December 31, 1999	\$ 14,476	\$ 8,367	\$ (8,355)	\$ 14,488
December 31, 1998	\$ 13,804	\$ 6,599	\$ (5,927)	\$ 14,476

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.

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 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,		
	2000	1999	1998
Income before extraordinary items, before cumulative effect of accounting change, after the unusual item and after the preferred unit requirement	\$ 275,948	\$ 228,520	\$ 191,785
Extraordinary items	(649)	(6,705)	7,146
Cumulative effect of accounting change	(12,311)	—	—
Net Income available to Unitholders	\$ 262,988	\$ 221,815	\$ 198,931
Weighted Average Shares Outstanding—Basic	236,535,534	232,569,029	189,082,385
Effect of stock options	99,538	137,002	357,149
Weighted Average Shares Outstanding—Diluted	236,635,072	232,706,031	189,439,534

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, giving effect to the CPI Merger as of the close of business on September 24, 1998. Management believes this presentation provides the Unitholders with the most meaningful presentation of earnings for a single interest in 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. SPG declared distributions in 2000 and 1999 aggregating \$2.02 per share of common stock, of which \$0.94 and \$1.07 represented a return of capital measured using accounting principles generally accepted in the United States. On a federal income tax basis, 49% of SPG's 2000 distribution represented a capital gain, 11% represented a return of capital, and 4% represented unrecaptured Section 1250 gain. In 1999, 10% of SPG's 1999 distribution represented a capital gain and 38% represented a return of capital.

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

Noncash Transactions

Accrued and unpaid distributions were \$18,266 and \$876 at December 31, 2000 and 1999, respectively. Please refer to Notes 3, 4, 5 and 11 for additional discussion of noncash transactions.

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.

7. Investment Properties

Investment properties consist of the following:

	<i>December 31,</i>	
	<i>2000</i>	<i>1999</i>
Land	\$ 1,973,380	\$ 1,960,177
Buildings and improvements	10,820,467	10,605,893
Total land, buildings and improvements	12,793,847	12,566,070
Furniture, fixtures and equipment	89,624	74,076
Investment properties at cost	12,883,471	12,640,146
Less—accumulated depreciation	1,471,178	1,093,103
Investment properties at cost, net	\$ 11,412,293	\$ 11,547,043

Investment properties includes \$122,277 and \$201,032 of construction in progress at December 31, 2000 and 1999, respectively.

8. Investments in Unconsolidated Entities

Summary financial information of the Joint Venture Properties and a summary of the SPG Operating Partnership's investment in and share of income from such Properties follows.

	<i>December 31,</i>	
	<i>2000</i>	<i>1999</i>
BALANCE SHEETS		
Assets:		
Investment properties at cost, net	\$ 6,563,470	\$ 6,471,992
Cash and cash equivalents	191,687	169,763
Tenant receivables	165,583	160,431
Other assets	278,294	165,303
Total assets	\$ 7,199,034	\$ 6,967,489
Liabilities and Partners' Equity:		
Mortgages and other notes payable	\$ 5,135,488	\$ 4,484,598
Accounts payable, accrued expenses and other liabilities	348,375	291,213
Total liabilities	5,483,863	4,775,811
Partners' equity	1,715,171	2,191,678
Total liabilities and partners' equity	\$ 7,199,034	\$ 6,967,489
The SPG Operating Partnership's Share of:		
Total assets	\$ 2,924,666	\$ 2,834,236
Partners' equity	\$ 672,593	\$ 887,219
Add: Excess Investment	558,675	592,457
The SPG Operating Partnership's net Investment in Joint Ventures	\$ 1,231,268	\$ 1,479,676

	2000	1999	1998
STATEMENTS OF OPERATIONS			
Revenue:			
Minimum rent	\$ 766,379	\$ 570,902	\$ 442,530
Overage rent	31,174	25,957	18,465
Tenant reimbursements	377,673	276,223	204,936
Other income	56,905	45,140	30,564
Total revenue	1,232,131	918,222	696,495
Operating Expenses:			
Operating expenses and other	454,513	324,061	245,927
Depreciation and amortization	238,932	170,339	129,681
Total operating expenses	693,445	494,400	375,608
Operating Income	538,686	423,822	320,887
Interest Expense	357,569	235,179	176,669
Loss on Sale of Assets	(6,990)	—	(6,818)
Income Before Extraordinary Items and Cumulative Effect of Accounting Change ("IBEC")	174,127	188,643	137,400
Cumulative Effect of Accounting Change	(3,948)	—	—
Extraordinary Items—Debt Extinguishments	(1,842)	(66)	(4,240)
Net Income	\$ 168,337	\$ 188,577	\$ 133,160
Third-Party Investors' Share of IBEC	99,679	116,465	92,482
The SPG Operating Partnership's Share of IBEC	\$ 74,448	\$ 72,178	\$ 44,918
Amortization of Excess Investment	20,972	27,252	22,625
Income from Unconsolidated Entities	\$ 53,476	\$ 44,926	\$ 22,293

As of December 31, 2000 and 1999, the unamortized excess of the SPG Operating Partnership's investment over its share of the equity in the underlying net assets of the partnerships and joint ventures acquired ("Excess Investment") was \$558,675 and \$592,457, respectively, which is amortized over the life of the related Properties. Amortization included in income from unconsolidated entities for the years ended December 31, 2000, 1999 and 1998 was \$20,972, \$27,252 and \$22,625, respectively. Included in the 1999 amortization is a \$5,000 writedown on a joint venture investment.

The Management Company

The SPG Operating Partnership holds 80% of the outstanding common stock, 5% of the outstanding voting common stock, and all of the 8% cumulative 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 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 costs of \$79,357, \$75,697 and \$58,748 on consolidated Properties, related to services provided by the Management Company and its affiliates in 2000, 1999 and 1998, respectively. The Management Company also provides certain of such services to Melvin Simon & Associates, Inc. ("MSA"), and certain other nonowned properties for a fee. Fees for services provided by the Management Company to MSA were \$4,246, \$3,853 and \$3,301 for the years ended December 31, 2000, 1999 and 1998, respectively.

The SPG Operating Partnership manages substantially all wholly-owned and joint venture Properties except for 44 Properties of which 29 are managed by the Management Company, and, accordingly, it reimburses a subsidiary of the Management Company for costs incurred relating to the management of such Properties. Substantially all employees of the SPG Operating Partnership (other than direct field personnel) are employed by such Management Company subsidiary. The Management Company records costs net of amounts reimbursed by the SPG Operating Partnership. Common costs are allocated using assumptions that management believes are reasonable. The SPG Operating Partnership's share of allocated common costs was \$60,874, \$54,759 and \$35,341 for 2000, 1999 and 1998, respectively. As of December 31, 2000 and 1999, amounts due from the Management Company for unpaid accrued interest and unpaid accrued preferred dividends were not material to the financial statements or to those of the SPG Operating Partnership. Amounts due to the Management Company under cost-sharing arrangements and management contracts are included in notes and advances receivable from Management Company and affiliates.

The SPG Operating Partnership's net investment in the Management Company as of December 31, 2000 and 1999 was \$32,936 and \$6,833, respectively. 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.

	December 31,		
	2000	1999	
BALANCE SHEET DATA:			
Total assets	\$ 225,272	\$	184,501
Notes payable to the SPG Operating Partnership at 11%, due 2008, and advances	182,401		162,082
Shareholders' equity	35,630		21,740
The SPG Operating Partnership's Share of:			
Total assets	\$ 212,838	\$	172,935
Shareholders' equity	\$ 39,078	\$	23,889
For the Year Ended December 31,			
	2000	1999	1998
OPERATING DATA:			
Total revenue	\$ 93,618	\$ 115,761	\$ 100,349
Operating Income	37,290	5,573	8,067
Net Income Available for Common Shareholders	\$ 35,890	\$ 4,173	\$ 6,667
The SPG Operating Partnership's Share of Net Income after intercompany profit elimination			
	\$ 30,846	\$ 4,715	\$ 5,852

European Investment

The SPG Operating Partnership and the Management Company have a 29% ownership interest in European Retail Enterprises, B.V. ("ERE") and Groupe BEG, S.A. ("BEG"), respectively, which are accounted for using the equity method of accounting. BEG and ERE are fully integrated European retail real estate developers, lessors and managers. The SPG Operating Partnership's total cash investment in ERE and BEG at December 31, 2000 was approximately \$45.8 million, with commitments for an additional \$16.6 million, subject to certain performance and other criteria, including the SPG Operating Partnership's approval of development projects. The agreements with BEG and ERE are structured to allow the SPG Operating Partnership to acquire an additional 25% ownership interest over time. As of December 31, 2000, BEG and ERE had three 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, 2000 and 1999.

9. Indebtedness

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

	December 31,	
	2000	1999
Fixed-Rate Debt		
Mortgages and other notes, including (\$3,045) and \$28 net (discounts) premiums, respectively. Weighted average interest and maturity of 7.5% and 5.8 years.	\$ 2,178,926	\$ 2,304,325
Unsecured notes, including \$4,752 and \$275 net discounts, respectively. Weighted average interest and maturity of 7.2% and 6.1 years.	3,485,248	3,489,725
6 ³ /4% Putable Asset Trust Securities, including \$701 and \$913 premiums, respectively, due November 2003.	100,701	100,913
7% Mandatory Par Put Remarketed Securities, including \$5,150 and \$5,214 premiums, respectively, due June 2028 and subject to redemption June 2008.	205,150	205,214
Commercial mortgage pass-through certificates. Five classes bearing interest at weighted average rates and maturities of 7.3% and 4.0 years.	175,000	175,000
Total fixed-rate debt	6,145,025	6,275,177
Variable-Rate Debt		
Mortgages and other notes, including \$375 and \$884 premiums, respectively. Weighted average interest and maturity of 7.9% and 2.8 years.	\$ 757,436	\$ 558,664
Credit Facility (see below)	645,000	785,000
Merger Facility (see below)	925,000	950,000
Simon ERE Facility (see below)	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 7.47% and 1.2 years.	172,929	150,000
Total variable-rate debt	2,583,557	2,493,664

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 fixed and variable mortgage notes are nonrecourse; however certain notes have partial guarantees by affiliates of approximately \$618,667. 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 \$825,000 with weighted average interests and maturities of 8.0% and 7.1 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 \$600,000 of senior unsecured notes. These notes include two \$300,000 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 \$594,000 to retire the \$450,000 initial tranche of the Merger Facility (see below) and to pay \$142,000 on the outstanding balance of the Credit Facility (see below).

Credit Facility. The Credit Facility is a \$1,250,000 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, with an additional 15 basis point facility fee on the entire \$1,250,000. The maximum and average amounts outstanding during 2000 under the Credit Facility were \$830,000 and \$714,645, respectively. The Credit Facility is primarily used for funding acquisition, renovation and expansion and predevelopment opportunities. At December 31, 2000, the Credit Facility had an effective interest rate of 7.30%, with \$598,519 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.

The Merger Facility. In conjunction with the CPI Merger, the SPG Operating Partnership and SPG, as co-borrowers, closed a \$1,400,000 medium term unsecured bridge loan (the "Merger Facility"). The Merger Facility bears interest at a base rate of LIBOR plus 65 basis points and \$450,000 of the remaining balance will mature on March 24, 2001, with the remaining \$475,000 due on September 24, 2001. The Merger Facility is subject to covenants and conditions substantially identical to those of the Credit Facility. Financing costs of \$9,707, which were incurred to obtain the Merger Facility, were amortized over 18 months.

Subsequent Event. On January 11, 2001, the SPG Operating Partnership issued \$500,000 of unsecured debt to institutional investors pursuant to Rule 144A in two tranches. The first tranche is \$300,000 bearing an interest rate of 7³/₈% due January 20, 2006 and the second tranche is \$200,000 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.

Simon ERE Facility. On July 31, 2000 Simon ERE Loan, LLC, a wholly owned subsidiary of the SPG Operating Partnership, entered into a Euro-denominated unsecured Credit Agreement, to fund the SPG Operating Partnership's European investment, consisting of a 25 million Euros term loan and a 35 million Euros revolving credit facility. The interest rate for each loan is Euribor plus 0.60% with a facility fee of 0.15%. The interest rate on 30 million Euros is swapped at 7.75%. The maturity date is July 31, 2004 including a one year extension. These loans are guaranteed by the SPG Operating Partnership.

Debt Maturity and Other

As of December 31, 2000, scheduled principal repayments on indebtedness were as follows:

2001	\$	1,164,354
2002		779,381
2003		1,841,814
2004		1,490,759
2005		816,058
Thereafter		2,637,787
		8,730,153
Total principal maturities		8,730,153
Net unamortized debt discounts		(1,571)
		8,728,582
Total mortgages and other notes payable	\$	8,728,582

The Joint Venture Properties have \$5,135,488 and \$4,484,598 of mortgages and other notes payable at December 31, 2000 and 1999, respectively. The SPG Operating Partnership's share of this debt was \$2,166,788 and \$1,876,158 at December 31, 2000 and 1999, respectively. This debt, including premiums of \$17,158 in 2000, becomes due in installments over various terms extending through 2011, with interest rates ranging from 6.00% to 9.75% (weighted average rate

of 7.61% at December 31, 2000). The debt, excluding the \$17,158 of premiums, matures \$290,162 in 2001; \$310,214 in 2002; \$688,679 in 2003; \$448,445 in 2004; \$915,286 in 2005 and \$2,465,544 thereafter.

Cash paid for interest, net of any amounts capitalized, during 2000, 1999 and 1998 was \$646,184, \$566,156 and \$397,545, respectively.

Interest Rate Protection Agreements

The SPG Operating Partnership has entered into interest rate protection agreements, in the form of "cap" or "swap" arrangements, with respect to certain of its variable-rate mortgages and other notes payable. Swap arrangements, which effectively fix the SPG Operating Partnership's interest rate on the respective borrowings, have been entered into for \$213,200 principal amount of consolidated debt. Cap arrangements, which effectively limit the amount by which variable interest rates may rise, have been entered into for \$191,000 principal amount of consolidated debt and cap LIBOR at rates ranging from 7.4% to 16.77% through the related debt's maturity. Costs of the caps (\$403) are amortized over the life of the agreements. The unamortized balance of the cap arrangements was \$248 and \$187 as of December 31, 2000 and 1999, respectively. The SPG Operating Partnership's hedging activity as a result of interest swaps and caps resulted in net interest (expense) savings of \$316, (\$1,880) and \$263 for the years ended December 31, 2000, 1999 and 1998, respectively. This did not materially impact the SPG Operating Partnership's weighted average borrowing rate. Please refer to Note 15.

Fair Value of Financial Instruments

The carrying value of variable-rate mortgages and other loans represents their fair values. The fair value of fixed-rate mortgages and other notes payable was approximately \$6,453,165 and \$5,649,467 at December 31, 2000 and 1999, respectively. The fair value of the interest rate protection agreements at December 31, 2000 and 1999, was (\$296) and \$6,600, respectively. At December 31, 2000 and 1999, the estimated discount rates were 7.17% and 8.06%, respectively. The fair values of fixed-rate mortgages and other notes payable and interest rate protection agreements are estimated using cash flows discounted at current borrowing rates and at current market rates, respectively.

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10. 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, 2000, are as follows:

2001	\$ 1,001,418
2002	945,164
2003	868,334
2004	773,741
2005	681,742
Thereafter	2,433,738
	<u>\$ 6,704,137</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.

11. 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 1998, SPG issued 2,957,335 shares of its common stock in offerings generating combined net proceeds of approximately \$91,399. The net proceeds were contributed to the SPG Operating Partnership in exchange for a like number of Units. The SPG Operating Partnership used the net proceeds for general working capital purposes.

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Preferred Units

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

	As of December 31,	
	2000	1999
Series A 6.5% Convertible Preferred Units, 209,249 units authorized, 51,059 and 53,271 issued and outstanding, respectively	\$ 65,246	\$ 68,073
Series B 6.5% Convertible Preferred Units, 5,000,000 units authorized, 4,830,057 and 4,844,331 issued and outstanding, respectively	449,196	450,523
Series B 8.75% Cumulative Redeemable Preferred Units, 8,000,000 units authorized, issued and outstanding	192,989	192,989
Series C 7.89% Cumulative Step-Up Premium Rate SM Convertible Preferred Units, 3,000,000 units authorized, issued and outstanding	146,877	146,608

Series C 7.00% Cumulative Convertible Preferred Units, 2,700,000 units authorized and 2,584,227 issued and outstanding	72,358	72,358
Series D 8.00% Cumulative Redeemable Preferred Units, 2,700,000 units authorized and 2,584,227 issued and outstanding	77,527	77,527
Series E 8.00% Cumulative Redeemable Preferred Units, 1,000,000 units authorized, 1,000,000 issued and outstanding	24,242	24,242
	\$ 1,028,435	\$ 1,032,320

On January 27, 2000, SD Property Group, Inc., a substantially wholly-owned subsidiary of SPG Properties, merged with and into SPG Properties.

Series A Convertible Preferred Units. During 2000, 2,212 units of SPG's 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. During 1999, 155,978 Series A Convertible Preferred Units were converted into 5,926,440 Paired Units. In addition, another 153,890 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. During 2000, 14,274 units of SPG's Series B Convertible Preferred Units were converted into 36,913 Paired 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 B Cumulative Redeemable Preferred Units. SPG Properties, Inc. ("SPG Properties"), a general partner of the SPG Operating Partnership, has outstanding 8,000,000 shares of 8.75% Series B Cumulative Redeemable Preferred Stock, which it may redeem 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 Properties, which may include other series of

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preferred shares. SPG Properties holds preferred units in the SPG Operating Partnership with economic terms substantially identical to those of the Series B Preferred Stock.

Series C Cumulative Step-Up Premium RateSM Preferred Units. SPG Properties, Inc. also has outstanding 3,000,000 shares of its 7.89% Series C Cumulative Step-Up Premium RateSM Preferred Stock (the "Series C Preferred Shares") with a liquidation value of \$50.00 per share. Beginning October 1, 2012, the rate increases to 9.89% per annum. Management intends to redeem the Series C Preferred Shares prior to October 1, 2012. Beginning September 30, 2007, SPG Properties, Inc. may redeem the Series C Preferred Shares in whole or in part, using only the sale proceeds of other capital stock of SPG Properties, Inc., at a liquidation value of \$50.00 per share, plus accrued and unpaid distributions, if any, thereon. Additionally, the Series C 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 Properties, Inc. SPG Properties holds preferred units in the SPG Operating Partnership with economic terms substantially identical to those of the Series B Preferred Stock.

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. 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.

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. 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 for \$24,242. The Series E Cumulative Redeemable Preferred Stock is redeemable

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beginning August 27, 2004 at the liquidation value of \$25 per share. 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.

Notes Receivable from Former CPI Shareholders

Notes receivable of \$19,667 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 \$2,018 bear interest at rates ranging from 6.00% to 7.50% and become due during the period 2001 to 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 has 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 "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. During 2000, 1999 and 1998, a total of 417,994; 537,861 and 495,131 Paired Shares, respectively, net of forfeitures, were awarded under the Restricted Stock Program and predecessor programs with a weighted average grant price of \$22.94, \$25.50, and \$32.69, respectively. Through December 31, 2000 a total of 2,243,080 Paired Shares, net of forfeitures, were awarded.

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Approximately \$11,770, \$10,601 and \$9,463 relating to these awards were amortized in 2000, 1999 and 1998, respectively. 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 shareholders' equity and subsequently amortized against earnings of the SPG Operating Partnership over the vesting period.

The SPG Operating Partnership accounts for stock-based compensation programs using the intrinsic value method, which 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. During 2000, the SPG Operating Partnership awarded 750,750 additional options to directors and employees. The 24,000 options granted to Directors vest over a twelve-month period, while the remaining 726,750 employee options granted during 2000 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,		
	2000	1999	1998
Weighted Average Fair Value per Option	\$1.57	\$3.27	\$7.24
Expected Volatility	20.00 - 20.01%	19.78 - 19.89%	30.83 - 41.79%
Risk-Free Interest Rate	6.08 - 6.47%	5.25 - 5.78%	4.64 - 5.68%
Dividend Yield	8.68 - 7.76%	5.32 - 6.43%	6.24 - 6.52%
Expected Life	10 years	10 years	10 years

The weighted average remaining contract life for options outstanding as of December 31, 2000 was 6.18 years.

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Information relating to Director Options and Employee Options from December 31, 1997 through December 31, 2000 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, 1997	86,080	\$ 24.12	1,247,597	\$ 22.90
Granted	—	N/A	385,000	30.40

CPI Options Assumed	—	N/A	304,209	25.48
Exercised	(8,000)	26.27	(38,149)	23.71
Forfeited	(3,000)	29.31	(4,750)	25.25
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
Options exercisable at December 31, 2000	130,720	\$ 25.61	1,705,900	\$ 24.77
Exercise price range		\$ 22.25-\$29.31		\$ 22.25-\$32.38

(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 64,966,226 Paired Shares for possible issuance upon the exchange of Paired Units.

12. Employee Benefit Plans

The SPG Operating Partnership maintains a tax-qualified retirement 401(k) savings plan. Under the plan, eligible employees can participate in a cash or deferred arrangement permitting them to defer up to a maximum of 16% of their compensation, subject to certain limitations. Participants' salary deferrals are matched at specified percentages up to a total of 4%, and the plan provides annual contributions of 1.5% of eligible employees' compensation. The SPG Operating Partnership contributed \$3,492, \$3,189 and \$2,581 to the plan in 2000, 1999 and 1998, respectively.

13. 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 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 SPG Operating Partnership has agreed to indemnify Chase and other nonparties to the litigation that are related to the offering of certificates secured by the Chase Mortgage against, among other things, (i) any and all litigation expenses arising as a result of litigation or threatened litigation brought by Triple Five, or any of its owners or affiliates, against any person regarding the Chase Mortgage, the Teachers Sale, any securitization of the Chase Mortgage or any transaction related to the foregoing and (ii) any and all damages, awards, penalties or expenses payable to or on behalf of Triple Five (or payable to a third party as a result of such party's obligation to pay Triple Five) arising out of such litigation. These indemnity obligations do not extend to liabilities covered by title insurance.

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 neither the Triple Five litigation nor any potential payments under the indemnity, if any, will 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 Angostinelli 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 Angostinelli 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 DRC Merger. 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 judgement order in favor of the defendants entered by the Common Pleas Court and granted plaintiffs' cross motion for summary judgement, 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 Judgement 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 \$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. Those appeals are pending before the District Court of Appeals. The SPG Operating Partnership recorded a \$12,000 loss in the third quarter of 1999 related to this litigation as an unusual item.

Roel Vento et al v. Tom Taylor et al. An affiliate of the SPG Operating Partnership is a defendant in litigation entitled *Roel Vento et al v. Tom Taylor et al.*, in the District Court of Cameron County, Texas, in which a judgment in the amount of \$7,800 was entered against all defendants. This judgment includes approximately \$6,500 of punitive damages and is based upon a jury's findings on four separate theories of liability including fraud, intentional infliction of emotional distress, tortious interference with contract and civil conspiracy arising out of the sale of a business operating under a temporary license agreement at Valle Vista Mall in Harlingen, Texas. The SPG Operating Partnership appealed the verdict and on May 6, 1999, the Thirteenth Judicial District (Corpus Christi) of the Texas Court of Appeals issued an opinion reducing the trial court verdict to \$3,364 plus interest. The SPG Operating Partnership filed a petition for a writ of certiorari to the Texas Supreme Court requesting that they review and reverse the determination of the Appellate Court. The Texas Supreme Court granted certiorari and heard oral arguments on October 4, 2000. A decision is expected to be rendered during the second quarter of 2001. Management, based upon the advice of counsel, believes that the ultimate outcome of this action will not have a material adverse effect on the SPG Operating Partnership.

The SPG Operating Partnership currently is not subject to any other 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, 2000, a total of 34 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, 2000, 1999 and 1998, was \$13,654, \$13,365 and \$13,618, 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:

2001	\$ 7,845
2002	7,984
2003	7,906
2004	7,439
2005	7,133
Thereafter	489,178
	<u>\$ 527,485</u>

Long-term Contract

On September 30, 1999, the SPG Operating Partnership entered into a five year contract with Enron Energy Services for Enron to supply or manage all of the energy commodity requirements throughout the SPG Operating Partnership's portfolio. The contract includes electricity, natural gas and maintenance of energy conversion assets and electrical systems including lighting. The SPG Operating Partnership has committed to pay Enron a fixed percentage of the Portfolio's historical energy costs for these services over the term of the agreement.

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 Company'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.

14. Related Party Transactions

In preparation for the CPI Merger, on July 31, 1998, CPI, with the assistance of the SPG Operating Partnership, completed the sale of the General Motors Building in New York, New York for approximately \$800,000. The SPG Operating Partnership and certain third-party affiliates each received a \$2,500 fee from CPI in connection with the sale.

15. New Accounting Pronouncement

On June 15, 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended in June of 2000 by SFAS No. 138, "Accounting for Derivative Instruments and Hedging Activities." These statements, which are effective for the SPG Operating Partnership on January 1, 2001, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts. These statements require that every derivative instrument be recorded in the balance sheet as either an asset or a liability measured at its fair value. Changes in the fair value of derivatives are to be recorded each period in earnings or comprehensive income, depending on whether the derivative is designated and effective as part of a hedged transaction, and on the type of hedge transaction. Gains or losses on derivative instruments reported in other comprehensive income must be reclassified as earnings in the period in which earnings are affected by the underlying hedged item, and the ineffective portion of all hedges must be recognized in earnings in the current period. These new standards will result in additional volatility in reported assets, liabilities, earnings and other comprehensive income.

SFAS No. 133 requires that as of the date of initial adoption, the difference between the fair value of the derivative instruments to be recorded on the balance sheet and the previous carrying amount of those derivatives be reported 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 January 1, 2001, the SPG Operating Partnership recorded the effect of the transition to SFAS No. 133 which resulted in an immaterial impact to the results of operations and the financial position of the SPG Operating Partnership.

SFAS No. 133 further requires that the fair value and effectiveness of each hedging instrument must be measured quarterly. The result of each measurement could result in fluctuations in reported assets, liabilities, other comprehensive income and earnings as these changes in fair value and effectiveness are recorded to the financial statements. The SPG Operating Partnership anticipates, on

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an ongoing basis, the fluctuations to the aforementioned areas will be immaterial to the financial statements taken as a whole.

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.

16. Quarterly Financial Data (Unaudited)

Consolidated summarized quarterly 2000 and 1999 data is as follows:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2000				
Total revenue	\$ 473,465	\$ 484,450	\$ 490,474	\$ 522,322
Operating income	208,601	218,520	221,525	259,308
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	235,229,780
Diluted weighted Average Units Outstanding	237,040,394	237,582,451	236,593,972	235,332,395

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	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
1999				
Total revenue	\$ 441,194	\$ 453,419	\$ 466,913	\$ 518,709
Operating income	194,706	208,491	212,878	236,636
Income before unusual and extraordinary items	66,638	67,735	84,164	91,306
Net income available to Unitholders	47,159	51,569	55,064	68,023
Net income before extraordinary items per Unit—				
Basic and Diluted(1)	\$ 0.21	\$ 0.22	\$ 0.24	\$ 0.31
Net income per Unit—Basic and Diluted(1)	\$ 0.21	\$ 0.22	\$ 0.24	\$ 0.29
Weighted Average Units Outstanding	227,879,830	232,231,002	232,636,887	236,713,575
Diluted weighted Average Units Outstanding	228,061,703	232,498,343	232,707,718	236,729,515

(1)

Primarily due to the cyclical nature of earnings available for Units and the issuance of additional Units during the periods, the sum of the quarterly earnings per Unit sometimes varies from the annual earnings per Unit.

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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 30, 2001

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
<u>/s/ DAVID SIMON</u> David Simon	Chief Executive Officer and Director (Principal Executive Officer)	March 30, 2001
<u>/s/ HERBERT SIMON</u> Herbert Simon	Co-Chairman of the Board of Directors	March 30, 2001
<u>/s/ MELVIN SIMON</u> Melvin Simon	Co-Chairman of the Board of Directors	March 30, 2001
<u>/s/ HANS C. MAUTNER</u> Hans C. Mautner	Vice Chairman of the Board of Directors	March 30, 2001
<u>/s/ RICHARD SOKOLOV</u> Richard Sokolov	President, Chief Operating Officer and Director	March 30, 2001
<u>/s/ ROBERT E. ANGELICA</u> Robert E. Angelica	Director	March 30, 2001

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<u>/s/ BIRCH BAYH</u> Birch Bayh	Director	March 30, 2001
<u>/s/ PIETER S. VAN DEN BERG</u> Pieter S. van den Berg	Director	March 30, 2001
<u>/s/ G. WILLIAM MILLER</u> G. William Miller	Director	March 30, 2001
<u>/s/ FREDRICK W. PETRI</u> Fredrick W. Petri	Director	March 30, 2001
<u>/s/ J. ALBERT SMITH</u> J. Albert Smith	Director	March 30, 2001

/s/ PHILIP J. WARD

Director

March 30, 2001

Philip J. Ward

/s/ M. DENISE DEBARTOLO YORK

Director

March 30, 2001

M. Denise DeBartolo York

/s/ STEPHEN E. STERRETT

Executive Vice President and Chief Financial
Officer

March 30, 2001

Stephen E. Sterrett

/s/ JOHN DAHL

Senior Vice President
(Principal Accounting Officer)

March 30, 2001

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 February 7, 2001. 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, 2000, 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,
February 7, 2001.

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SCHEDULE III

**SIMON PROPERTY GROUP, LP
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2000
(Dollars in thousands)**

Name, Location	Encumbrances	Initial Cost		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	\$ 11,827	\$ 154	\$ 19,468	\$ 19,622	\$ 3,964	1993 (Note 3)
Amigoland Mall, Brownsville, TX	0	1,045	4,518	0	975	1,045	5,493	6,538	2,246	1974
Anderson Mall, Anderson, SC	27,500	1,712	18,072	1,363	4,617	3,075	22,689	25,764	6,704	1972
Arsenal Mall, Watertown, MA	36,432	14,500	44,763	0	379	14,500	45,142	59,642	1,507	1999 (Note 4)
Arsenal Mall HCHP, Watertown, MA	0	1,005	2,917	0	0	1,005	2,917	3,922	97	1999 (Note 4)
Aurora Mall, Aurora, CO	0	11,400	55,692	0	3,542	11,400	59,234	70,634	3,764	1998 (Note 4)
Barton Creek Square, Austin, TX	0	4,414	20,699	771	31,405	5,185	52,104	57,289	12,536	1981
Battlefield Mall, Springfield, MO	90,426	4,039	29,769	3,225	38,514	7,264	68,283	75,547	17,712	1970
Bay Park Square, Green Bay, WI	24,848	6,864	25,623	362	2,813	7,226	28,436	35,662	3,718	1996 (Note 4)
Bergen Mall, Paramus, NJ	0	10,918	92,541	0	7,535	10,918	100,076	110,994	12,128	1996 (Note 4)
Biltmore Square, Asheville, NC	26,000	6,641	23,582	0	1,349	6,641	24,931	31,572	2,859	1996 (Note 4)
Boynton Beach Mall, Boynton Beach, FL	0	22,240	79,226	0	6,263	22,240	85,489	107,729	9,827	1996 (Note 4)
Brea Mall, Brea, CA	0	39,500	209,202	0	4,941	39,500	214,143	253,643	13,627	1998 (Note 4)
Broadway Square, Tyler, TX	0	11,470	32,439	0	4,789	11,470	37,228	48,698	6,767	1994 (Note 3)
Brunswick Square, East Brunswick, NJ	45,000	8,436	55,838	0	20,719	8,436	76,557	84,993	8,088	1996 (Note 4)
Burlington Mall, Burlington, MA	0	46,600	303,618	0	1,966	46,600	305,584	352,184	19,693	1998 (Note 4)
Castleton Square, Indianapolis, IN	0	27,536	98,287	2,500	29,762	30,036	128,049	158,085	13,407	1996 (Note 4)
Century III Mall, Pittsburgh, PA	66,000	17,251	117,822	10	2,219	17,261	120,041	137,302	32,725	1999 (Note 4)
Charlottesville Fashion Square, Charlottesville, VA	0	0	54,738	0	3,446	0	58,184	58,184	5,459	1997 (Note 4)
Chautauqua Mall, Jamestown, NY	0	3,257	9,641	0	14,235	3,257	23,876	27,133	3,346	1996 (Note 4)
Cheltenham Square, Philadelphia, PA	34,226	14,227	43,799	0	4,006	14,227	47,805	62,032	6,382	1996 (Note 4)
Chesapeake Square, Chesapeake, VA	45,207	11,534	70,461	0	3,374	11,534	73,835	85,369	9,264	1996 (Note 4)
Cielo Vista Mall, El Paso, TX	93,394	1,307	18,512	608	19,082	1,915	37,594	39,509	13,268	1974
College Mall, Bloomington, IN	52,315	1,012	16,245	722	19,889	1,734	36,134	37,868	11,715	1965
Columbia Center, Kennewick, WA	42,326	18,285	66,580	0	6,223	18,285	72,803	91,088	8,387	1996 (Note 4)
Cordova Mall, Pensacola, FL	0	18,642	75,880	0	1,531	18,642	77,411	96,053	6,698	1998 (Note 4)
Cottonwood Mall, Albuquerque, NM	0	11,585	68,958	0	116	11,585	69,074	80,659	11,940	1996
Crosroads Mall, Omaha, NE	0	881	37,263	409	30,000	1,290	67,263	68,553	11,331	1994 (Note 3)
Crystal River Mall, Crystal River, FL	16,288	5,661	20,241	0	4,183	5,661	24,424	30,085	2,324	1996 (Note 4)
DeSoto Square, Bradenton, FL	38,880	9,380	52,716	0	5,666	9,380	58,382	67,762	7,408	1996 (Note 4)
Eastern Hills Mall, Buffalo, NY	0	15,444	47,604	12	4,256	15,456	51,860	67,316	6,885	1996 (Note 4)

Eastland Mall, Tulsa, OK	15,000	3,124	24,035	518	7,487	3,642	31,522	35,164	8,128	1986	
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Edison Mall, Fort Myers, FL	0	11,529	107,381	0	4,493	11,529	111,874	123,403	10,460	1997	(Note 4)
Fashion Mall at Keystone at the Crossing, Indianapolis, IN	62,894	0	120,579	0	6,545	0	127,124	127,124	10,731	1997	(Note 4)
Forest Mall, Fond Du Lac, WI	15,550	728	4,498	0	6,367	728	10,865	11,593	3,013	1973	
Forest Village Park, Forestville, MD	21,850	1,212	4,625	757	4,659	1,969	9,284	11,253	2,858	1980	
Golden Ring Mall, Baltimore, MD	29,750	1,130	3,704	572	8,660	1,702	12,364	14,066	8,474	1974	(Note 3)
Great Lakes Mall, Cleveland, OH	61,121	13,886	100,362	11	5,348	13,897	105,710	119,607	13,624	1996	(Note 4)
Greenwood Park Mall, Greenwood, IN	94,673	2,607	23,445	5,275	59,255	7,882	82,700	90,582	20,508	1979	
Gulf View Square, Port Richey, FL	36,447	13,690	39,997	0	8,830	13,690	48,827	62,517	5,818	1996	(Note 4)
Haywood Mall, Greenville, SC	0	11,604	133,893	6	662	11,610	134,555	146,165	16,331	1999	(Note 4)
Heritage Park, Midwest City, OK	0	598	6,213	0	2,394	598	8,607	9,205	3,510	1978	
Hutchinson Mall, Hutchinson, KS	15,742	1,683	18,427	0	3,045	1,683	21,472	23,155	6,172	1985	
Independence Center, Independence, MO	0	5,539	45,822	2	17,929	5,541	63,751	69,292	10,263	1994	(Note 3)
Ingram Park Mall, San Antonio, TX	0	764	17,163	169	15,290	933	32,453	33,386	10,895	1979	
Irving Mall, Irving, TX	0	6,737	17,479	2,533	25,156	9,270	42,635	51,905	13,521	1971	
Jefferson Valley Mall, Yorktown Heights, NY	60,000	4,868	30,304	0	5,113	4,868	35,417	40,285	9,992	1983	
Knoxville Center, Knoxville, TN	0	5,006	21,965	3,712	34,624	8,718	56,589	65,307	11,180	1984	
Lakeline Mall, N. Austin, TX	71,373	13,741	81,568	9	271	13,750	81,839	95,589	10,016	1999	(Note 4)
La Plaza, McAllen, TX	0	1,375	9,828	6,539	27,990	7,914	37,818	45,732	5,035	1976	
Lafayette Square, Indianapolis, IN	0	14,251	54,589	0	10,716	14,251	65,305	79,556	7,327	1996	(Note 4)
Laguna Hills Mall, Laguna Hills, CA	0	28,074	55,689	0	3,549	28,074	59,238	87,312	5,188	1997	(Note 4)
Lenox Square, Atlanta, GA	0	38,213	492,411	0	3,484	38,213	495,895	534,108	31,810	1998	(Note 4)
Lima Mall, Lima, OH	18,903	7,910	35,495	0	5,787	7,910	41,282	49,192	5,220	1996	(Note 4)
Lincolnwood Town Center, Lincolnwood, IL	0	10,754	63,490	28	2,097	10,782	65,587	76,369	17,536	1990	
Livingston Mall, Livingston, NJ	0	30,200	105,250	0	4,623	30,200	109,873	140,073	6,820	1998	(Note 4)
Longview Mall, Longview, TX	27,600	270	3,602	124	7,244	394	10,846	11,240	3,157	1978	
Machesney Park Mall, Rockford, IL	0	614	7,438	120	4,329	734	11,767	12,501	4,272	1979	
Markland Mall, Kokomo, IN	0	0	7,568	0	5,189	0	12,757	12,757	2,927	1968	
Mc Cain Mall, N. Little Rock, AR	42,704	0	9,515	0	8,377	0	17,892	17,892	7,117	1973	
Melbourne Square, Melbourne, FL	38,362	15,762	55,900	0	4,836	15,762	60,736	76,498	7,138	1996	(Note 4)
Memorial Mall, Sheboygan, WI	0	175	4,881	0	806	175	5,687	5,862	1,779	1969	
Menlo Park Mall, Edison, NJ	0	65,684	223,252	0	6,207	65,684	229,459	295,143	21,606	1997	(Note 4)
Miami International Mall, Miami, FL	45,316	13,794	69,701	8,953	4,837	22,747	74,538	97,285	26,345	1996	(Note 4)
Midland Park Mall, Midland, TX	28,000	687	9,213	0	8,499	687	17,712	18,399	5,780	1980	
Miller Hill Mall, Duluth, MN	0	2,537	18,113	0	13,262	2,537	31,375	33,912	6,633	1973	
Mission Viejo Mall, Mission Viejo, CA	141,314	9,139	54,445	7,491	135,776	16,630	190,221	206,851	13,924	1996	(Note 4)
Mounds Mall, Anderson, IN	0	0	2,689	0	2,383	0	5,072	5,072	2,484	1965	
Muncie Mall, Muncie, IN	8,221	172	5,964	52	21,440	224	27,404	27,628	5,798	1970	
Nanuet Mall, Nanuet, NY	0	27,548	162,993	0	1,081	27,548	164,074	191,622	10,595	1998	(Note 4)
North East Mall, Hurst, TX	135,761	1,347	13,473	16,683	135,007	18,030	148,840	166,510	9,289	1996	(Note 4)
North Towne Square, Toledo, OH	23,500	579	8,377	0	2,072	579	10,449	11,028	6,863	1980	
Northgate Mall, Seattle, WA	79,035	32,550	115,314	0	20,637	32,550	135,951	168,501	9,430	1996	(Note 4)
Northlake Mall, Atlanta, GA	0	33,400	98,035	0	1,096	33,400	99,131	132,531	6,369	1998	(Note 4)

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Northwoods Mall, Peoria, IL	0	1,203	12,779	1,519	27,632	2,722	40,411	43,133	11,684	1983	(Note 3)
Oak Court Mall, Memphis, TN	0	15,673	57,304	0	2,896	15,673	60,200	75,873	5,752	1997	(Note 4)
Orange Park Mall, Jacksonville, FL	0	13,345	65,121	0	15,898	13,345	81,019	94,364	13,682	1994	(Note 3)
Orland Square, Orland Park, IL	50,000	36,770	129,906	0	5,079	36,770	134,985	171,755	12,082	1997	(Note 4)
Paddock Mall, Ocala, FL	28,988	11,198	39,712	0	5,822	11,198	45,534	56,732	4,572	1996	(Note 4)
Palm Beach Mall, West Palm Beach, FL	48,282	11,962	112,741	0	33,268	11,962	146,009	157,971	20,373	1998	(Note 4)
Phipps Plaza, Atlanta, GA	0	19,200	210,610	0	4,087	19,200	214,697	233,897	13,813	1998	(Note 4)
Port Charlotte Town Center, Port Charlotte, FL	53,250	5,561	59,381	0	9,273	5,561	68,654	74,215	8,502	1996	(Note 4)
Prien Lake Mall, Lake Charles, LA	0	1,893	2,813	3,091	35,404	4,984	38,217	43,201	6,302	1972	
Raleigh Springs Mall, Memphis, TN	11,000	9,137	28,604	0	11,310	9,137	39,914	49,051	4,071	1996	(Note 4)
Randall Park Mall, Cleveland, OH	40,000	4,421	52,456	0	19,576	4,421	72,032	76,453	9,728	1996	(Note 4)
Richardson Square, Dallas, TX	0	4,867	6,329	1,075	11,999	5,942	18,328	24,270	2,584	1996	(Note 4)
Richmond Towne Square, Cleveland, OH	56,851	2,666	12,112	0	59,959	2,666	72,071	74,737	5,769	1996	(Note 4)
Richmond Square, Richmond, IN	0	3,410	11,343	0	9,470	3,410	20,813	24,223	2,802	1996	(Note 4)
River Oaks Center, Calumet City, IL	32,500	30,884	101,224	0	3,323	30,884	104,547	135,431	9,365	1997	(Note 4)
Rockaway Townsquare, Rockaway, NJ	0	50,500	218,557	0	3,233	50,500	221,790	272,290	14,206	1998	(Note 4)
Rolling Oaks Mall, North San Antonio, TX	0	2,577	38,609	0	1,980	2,577	40,589	43,166	12,634	1998	(Note 4)
Roosevelt Field, Garden City, NY	0	165,006	702,008	2,117	5,936	167,123	707,944	875,067	45,399	1998	(Note 4)
Ross Park Mall, Pittsburgh, PA	0	14,557	50,995	9,617	60,599	24,174	111,594	135,768	17,474	1996	(Note 4)
Santa Rosa Plaza, Santa Rosa, CA	0	10,400	87,864	0	2,197	10,400	90,061	100,461	5,820	1998	(Note 4)
South Hills Village, Pittsburgh, PA	0	23,453	125,858	0	2,030	23,453	127,888	151,341	11,361	1997	(Note 4)
South Park Mall, Shreveport, LA	25,993	855	13,684	74	2,771	929	16,455	17,384	6,203	1975	
South Shore Plaza, Braintree, MA	0	101,200	301,495	0	2,570	101,200	304,065	405,265	19,623	1998	(Note 4)
Southern Park Mall, Youngstown, OH	0	16,982	77,774	97	17,397	17,079	95,171	112,250	12,694	1996	(Note 4)
Southgate Mall, Yuma, AZ	0	1,817	7,974	0	3,498	1,817	11,472	13,289	3,224	1988	(Note 3)
St Charles Towne Center Waldorf, MD	28,527	9,031	52,974	1,180	10,789	10,211	63,763	73,974	17,446	1990	
Summit Mall, Akron, OH	0	15,374	51,137	0	14,482	15,374	65,619	80,993	7,895	1996	(Note 4)
Sunland Park Mall, El Paso, TX	38,710	2,896	28,900	0	5,549	2,896	34,449	37,345	11,551	1988	
Tacoma Mall, Tacoma, WA	92,474	38,949	125,826	0	17,426	38,949	143,252	182,201	17,425	1996	(Note 4)
Tippecanoe Mall, Lafayette, IN	60,315	4,187	8,474	5,517	33,744	9,704	42,218	51,922	14,287	1973	
Town Center at Boca Raton Boca Raton, FL	0	64,200	307,511	0	51,087	64,200	358,598	422,798	20,133	1998	(Note 4)
Towne East Square, Wichita, KS	78,116	9,495	18,479	2,042	17,652	11,537	36,131	47,668	11,456	1975	
Towne West Square, Wichita, KS	0	972	21,203	76	7,972	1,048	29,175	30,223	9,802	1980	
Treasure Coast Square, Jensen Beach, FL	63,467	11,124	73,108	3,067	16,213	14,191	89,321	103,512	11,099	1996	(Note 4)
Tyrone Square, St. Petersburg, FL	0	15,638	120,962	0	13,566	15,638	134,528	150,166	16,581	1996	(Note 4)
University Mall, Little Rock, AR	0	123	17,411	0	899	123	18,310	18,433	5,897	1967	
University Mall, Pensacola, FL	0	4,741	26,657	0	3,730	4,741	30,387	35,128	5,705	1994	(Note 3)
University Park Mall, South Bend, IN	59,500	15,105	61,466	0	11,537	15,105	73,003	88,108	41,063	1996	(Note 4)
Upper Valley Mall, Springfield, OH	30,940	8,421	38,745	0	2,551	8,421	41,296	49,717	5,482	1996	(Note 4)
Valle Vista Mall, Harlingen, TX	41,069	1,398	17,266	372	8,546	1,770	25,812	27,582	7,414	1983	
Virginia Center Commons, Richmond, VA	0	9,764	50,547	4,149	5,670	13,913	56,217	70,130	7,098	1996	(Note 4)
Walt Whitman Mall, Huntington Station, NY	0	51,700	111,170	3,789	27,112	55,489	138,282	193,771	12,333	1998	(Note 4)
Washington Square, Indianapolis, IN	33,541	20,146	41,248	0	7,830	20,146	49,078	69,224	6,118	1996	(Note 4)

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West Ridge Mall, Topeka, KS	44,288	5,649	34,132	197	5,940	5,846	40,072	45,918	10,108	1988	
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Westminster Mall, Westminster, CA	0	45,200	84,709	0	4,253	45,200	88,962	134,162	6,069	1998	(Note 4)
White Oaks Mall, Springfield, IL	16,500	3,024	35,692	1,153	14,428	4,177	50,120	54,297	10,446	1977	
Windsor Park Mall, San Antonio, TX	14,235	1,082	16,940	130	3,074	1,212	20,014	21,226	7,252	1976	
Woodville Mall, Toledo, OH	0	1,831	4,454	0	986	1,831	5,440	7,271	3,807	1996	(Note 4)
Community Shopping Centers											
Arboretum, The, Austin, TX	34,000	7,640	36,778	71	3,212	7,711	39,990	47,701	2,412	1998	(Note 4)
Bloomingtondale Court, Bloomingtondale, IL	29,617	8,764	26,184	0	1,968	8,764	28,152	36,916	5,943	1987	
Boardman Plaza, Youngstown, OH	18,277	8,189	26,355	0	4,551	8,189	30,906	39,095	3,593	1996	(Note 4)
Bridgeview Court, Bridgeview, IL	0	302	3,638	0	709	302	4,347	4,649	1,185	1988	
Brightwood Plaza, Indianapolis, IN	0	65	128	0	252	65	380	445	173	1965	
Celina Plaza, El Paso, TX	0	138	815	0	99	138	914	1,052	262	1978	
Century Mall, Merrillville, IN	0	2,190	4,268	4	1,708	2,194	5,976	8,170	4,535	1992	(Note 3)
Charles Towne Square, Charleston, SC	0	418	1,768	425	11,136	843	12,904	13,747	836	1976	
Chesapeake Center, Chesapeake, VA	6,563	5,352	12,279	0	102	5,352	12,381	17,733	1,581	1996	(Note 4)
Countryside Plaza, Countryside, IL	0	1,243	8,507	0	656	1,243	9,163	10,406	2,926	1977	
Eastgate Consumer Mall, Indianapolis, IN	0	418	4,722	190	2,660	608	7,382	7,990	3,374	1991	(Note 3)
Eastland Plaza, Tulsa, OK	0	908	3,709	0	50	908	3,759	4,667	856	1986	
Forest Plaza, Rockford, IL	16,244	4,187	16,818	453	518	4,640	17,336	21,976	3,412	1985	
Fox River Plaza, Elgin, IL	0	2,908	9,453	0	130	2,908	9,583	12,491	1,933	1985	
Glen Burnie Mall, Glen Burnie, MD	0	7,422	22,778	0	2,866	7,422	25,644	33,066	3,393	1996	(Note 4)
Great Lakes Plaza, Cleveland, OH	0	1,028	2,025	0	3,463	1,028	5,488	6,516	909	1996	(Note 4)
Greenwood Plus, Greenwood, IN	0	1,265	1,792	0	3,757	1,265	5,549	6,814	1,197	1979	(Note 3)
Griffith Park Plaza, Griffith, IN	0	0	2,412	0	156	0	2,568	2,568	926	1979	
Grove at Lakeland Square, The, Lakeland, FL	3,750	5,237	6,016	0	1,015	5,237	7,031	12,268	1,032	1996	(Note 4)
Highland Lakes Center, Orlando, FL	14,377	7,138	25,303	0	460	7,138	25,763	32,901	2,523	1996	(Note 4)
Ingram Plaza, San Antonio, TX	0	421	1,802	4	21	425	1,823	2,248	753	1980	
Keystone Shoppes, Indianapolis, IN	0	0	4,232	0	590	0	4,822	4,822	363	1997	(Note 4)
Knoxville Commons, Knoxville, TN	0	3,731	5,345	0	1,787	3,731	7,132	10,863	1,604	1987	
Lake Plaza, Waukegan, IL	0	2,812	6,420	0	428	2,812	6,848	9,660	1,310	1986	
Lake View Plaza, Orland Park, IL	21,593	4,775	17,543	0	6,331	4,775	23,874	28,649	3,659	1986	
Lakeline Plaza, Austin, TX	23,673	4,867	25,732	0	6,132	4,867	31,864	36,731	2,581	1999	(Note 4)
Lima Center, Lima, OH	0	1,808	5,151	0	201	1,808	5,352	7,160	667	1996	(Note 4)
Lincoln Crossing, O'Fallon, IL	3,269	1,047	2,692	0	251	1,047	2,943	3,990	549	1990	
Mainland Crossing, Galveston, TX	1,603	1,609	1,737	0	216	1,609	1,953	3,562	293	1996	(Note 4)
Markland Plaza, Kokomo, IN	10,000	210	1,258	0	666	210	1,924	2,134	631	1974	
Martinsville Plaza, Martinsville, VA	0	0	584	0	50	0	634	634	460	1967	
Matteson Plaza, Matteson, IL	9,509	1,830	9,737	0	2,101	1,830	11,838	13,668	2,477	1988	
Memorial Plaza, Sheboygan, WI	0	250	436	0	857	250	1,293	1,543	508	1966	
Mounds Mall Cinema, Anderson, IN	0	88	158	0	1	88	159	247	70	1974	
Muncie Plaza, Muncie, IN	0	626	10,626	(163)	43	463	10,669	11,132	1,000	1998	
New Castle Plaza, New Castle, IN	0	128	1,621	0	1,286	128	2,907	3,035	888	1966	
North Ridge Plaza, Joliet, IL	0	2,831	7,699	0	532	2,831	8,231	11,062	1,724	1985	

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North Riverside Park Plaza, N. Riverside, IL	7,222	1,062	2,490	0	633	1,062	3,123	4,185	1,143	1977	
Northland Plaza, Columbus, OH	0	4,490	8,893	0	1,337	4,490	10,230	14,720	1,913	1988	
Northwood Plaza, Fort Wayne, IN	0	284	2,922	0	599	284	3,521	3,805	1,194	1974	
Park Plaza, Hopkinsville, KY	0	300	1,572	0	224	300	1,796	2,096	549	1968	
Regency Plaza, St. Charles, MO	4,457	616	4,963	0	151	616	5,114	5,730	957	1988	
Rockaway Convenience Center											
Rockaway, NJ	0	2,900	12,500	0	50	2,900	12,550	15,450	810	1998	(Note 4)
Shops at North East Plaza, The, Hurst, TX	0	8,988	2,198	3,955	35,753	12,943	37,951	50,894	1,504		
St. Charles Towne Plaza, Waldorf, MD	0	8,779	18,993	0	217	8,779	19,210	27,989	4,066	1987	
Teal Plaza, Lafayette, IN	0	99	878	0	2,928	99	3,806	3,905	634	1962	
Terrace at The Florida Mall, Orlando, FL	4,688	2,150	7,623	0	1,059	2,150	8,682	10,832	936	1996	(Note 4)
Tippecanoe Plaza, Lafayette, IN	0	265	440	305	4,967	570	5,407	5,977	1,326	1974	
University Center, South Bend, IN	0	2,388	5,214	0	342	2,388	5,556	7,944	5,397	1996	(Note 4)
Wabash Village, West Lafayette, IN	0	0	976	0	204	0	1,180	1,180	410	1970	
Washington Plaza, Indianapolis, IN	0	941	1,697	0	170	941	1,867	2,808	1,241	1996	(Note 4)
Waterford Lakes, Orlando, FL	56,998	0	1,114	9,502	72,867	9,502	73,981	83,483	2,578		
West Ridge Plaza, Topeka, KS	5,745	1,491	4,560	0	549	1,491	5,109	6,600	1,015	1988	
White Oaks Plaza, Springfield, IL	17,532	3,265	14,267	0	607	3,265	14,874	18,139	2,784	1986	
Wichita Mall, Wichita, KS	0	0	4,535	0	1,853	0	6,388	6,388	2,759	1969	
Wood Plaza, Fort Dodge, IA	0	45	380	0	867	45	1,247	1,292	397	1968	
Specialty Retail Centers											
The Forum Shops at Caesars, Las Vegas, NV	175,000	0	72,866	0	59,762	0	132,628	132,628	27,006	1992	
Trolley Square, Salt Lake City, UT	29,700	4,827	27,539	435	8,376	5,262	35,915	41,177	8,957	1986	(Note 3)
Net Lease Properties, Various	1,054	10,276	4,300	(2,988)	(4,300)	7,288	0	7,288	0		
New Orleans Centre/CNG Tower, New Orleans, LA	0	3,493	41,231	0	10,921	3,493	52,152	55,645	6,336	1996	(Note 4)
O Hare International Center, Rosemont, IL	0	125	60,287	1	8,507	126	68,794	68,920	22,448	1988	
Riverway, Rosemont, IL	0	8,739	129,175	16	10,562	8,755	139,737	148,492	45,533	1991	
Development Projects											
Bowie Town Center, Bowie, MD	8,657	5,575	570	4	11,533	5,579	12,103	17,682	0		
Other	0	790	1,771	12,002	3,829	12,792	5,600	18,392	0		
Corporate, Indianapolis, IN	0	2,345	500	280	12,811	2,625	13,311	15,936	914		
	\$ 3,164,032	\$ 1,846,086	\$ 8,922,811	\$ 127,294	\$ 1,897,656	\$ 1,973,380	\$ 10,820,467	\$ 12,793,847	\$ 1,433,673		

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SIMON PROPERTY GROUP, L.P.

NOTES TO SCHEDULE III AS OF DECEMBER 31, 2000

(Dollars in thousands)

(1) Reconciliation of Real Estate Properties:

The changes in real estate assets for the years ended December 31, 2000, 1999 and 1998 are as follows:

	2000	1999	1998
Balance, beginning of year	\$ 12,566,070	\$ 11,603,771	\$ 6,814,065
Acquisitions and Consolidations	—	475,166	4,676,634
Improvements	343,239	544,956	356,829
Disposals	(115,462)	(57,823)	(126,454)
Deconsolidations	—	—	(117,303)
Balance, close of year	\$ 12,793,847	\$ 12,566,070	\$ 11,603,771

The unaudited aggregate cost for the SPG Operating Partnership for federal income tax purposes as of December 31, 2000 was \$9,065,720.

(2) Reconciliation of Accumulated Depreciation:

The changes in accumulated depreciation and amortization for the years ended December 31, 2000, 1999 and 1998 are as follows:

	2000	1999	1998
Balance, beginning of year	\$ 1,066,200	\$ 688,955	\$ 448,353
Acquisitions and Consolidations	—	32,793	25,839
Depreciation expense	392,330	351,473	246,934
Disposals	(24,857)	(7,021)	(32,171)
Balance, close of year	\$ 1,433,673	\$ 1,066,200	\$ 688,955

Depreciation of the 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

Tenant Inducements—shorter of lease term or useful life

(3) Initial cost represents net book value at December 20, 1993 except for acquired properties.

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

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Exhibits	Page
2.1 Agreement and Plan of Merger among SDG, CPI and CRC (incorporated by reference to Exhibit 10.1 in the Form 8-K filed by SDG on February 24, 1998).	
3.1 Seventh Amended and Restated Limited Partnership Agreement of 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 the form of this document filed as 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(b) Form of Employment Agreement between Hans C. Mautner and the Companies (incorporated by reference to Exhibit 10.63 of the Form S-4 filed by CPI on August 13, 1998 (Reg. No. 333-61399)).
- 10.7(b) Form of Incentive Stock Option Agreement between the Companies and Hans C. Mautner pursuant to the SPG Operating Partnership 1998 Stock Incentive Plan (incorporated by reference to Exhibit 10.59 of the Form S-4 filed by CPI on August 13, 1998 (Reg. No. 333-61399)).

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- 10.8(b) Form of Nonqualified Stock Option Agreement between the Companies and Hans C. Mautner pursuant to the SPG Operating Partnership 1998 Stock Incentive Plan (incorporated by reference to Exhibit 10.61 of the Form S-4 filed by CPI on August 13, 1998 (Reg. No. 333-61399)).
 - 10.9(b) CPI Executive Severance Policy, as amended and restated effective as of August 11, 1998 (incorporated by reference to Exhibit 10.65 of the Form S-4 filed by CPI on August 13, 1998 (Reg. No. 333-61399)).
 - 10.10(c) Option Agreement to acquire the Excluded Retail Properties (Previously filed as Exhibit 10.10).
 - 10.11(c) Option Agreement to acquire the Excluded Properties—Land (Previously filed as Exhibit 10.11).
 - 10.12(c) Option Agreements dated as of December 1, 1993 between the Management Company and the SPG Operating Partnership (Previously filed as Exhibit 10.20.)
 - 10.13(c) Option Agreement dated as of December 1, 1993 to acquire Development Land. (Previously filed as Exhibit 10.22.)
 - 10.14(c) Option Agreement dated December 1, 1993 between the Management Company and the SPG Operating Partnership (Previously filed as Exhibit 10.25.)
 - 10.15(c) Lock-Up Agreement dated December 20, 1993 between MSA and the SPG Operating Partnership (Previously filed as Exhibit 10.27.)
 - 10.16 Purchase Option and Right of First Refusal Agreement between DRP, LP and Edward J. DeBartolo (for Northfield Square) (Incorporated by reference to the 1994 DRC Form 10-K Exhibit 10(o).)
 - 10.17 Office Lease between the SPG Operating Partnership and an affiliate of EJDC (Southwoods Executive Center). (Incorporated by reference to Exhibit 10.69 of the 1995 DRC Form 10-K).
 - 10.18 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).)
 - 10.19 Purchase Option and Right of First Refusal Agreement between DRP, LP and Washington Mall Associates (for Washington, Pennsylvania Site) (Incorporated by reference to the 1994 DRC Form 10-K Exhibit 10(p)(3).)
 - 10.20 Purchase Option and Right of First Refusal Agreement between DRP, LP and DeBartolo-Stow Associates (for University Town Center) (Incorporated by reference to the 1994 DRC Form 10-K Exhibit 10(r).)
 - 10.21 Acquisition Option Agreement between DRP, LP and Coral Square Associates (for Coral Square) (Incorporated by reference to the 1994 DRC Form 10-K Exhibit 10(s)(1).)
 - 10.22 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).)
 - 10.23 Fourth Amendment to Purchase Option Agreement, dated as of July 15, 1996, between JCP Realty, Inc., and DRP, LP (incorporated by reference to Exhibit 10.61 of SDG's 1996 Form 10-K).
 - 10.24 Limited Partnership Agreement of SDG Macerich Properties, L.P. (Incorporated by reference to Exhibit 10.63 of SDG's 1997 Form 10-K).
 - 10.25 Form of Employment Agreement between Hans C. Mautner and Simon Global Limited.
 - 10.26 Form of First Amendment to Employment Agreement Dated September 23, 1998 between Hans C. Mautner and the Companies.

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- 10.27 Form of Employment Agreement between Richard S. Sokolov, Simon Property Group, Inc., and Simon Property Group Administrative Services Partnership, L.P. Dated March 26, 1996.
 - 21.1 List of Subsidiaries of the SPG Operating Partnership.
 - 23.1 Consent of Arthur Andersen LLP.

- (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 of SPG's 1993 Form 10-K.

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SEVENTH AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT
OF
SIMON PROPERTY GROUP, L.P.

THIS SEVENTH AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT, dated as of August 27, 1999, is made by and among SD PROPERTY GROUP, INC., an Ohio corporation as a non-managing general partner ("SD Property"), SPG PROPERTIES, INC., a Maryland corporation as a non-managing general partner ("SPG Properties" and together with SD Property, the "Non-Managing General Partners"), SIMON PROPERTY GROUP, INC., a Delaware corporation as managing general partner (the "Managing General Partner"), and those parties who have executed this Agreement as limited partners and whose names and addresses are set forth on EXHIBIT A hereto as limited partners (the "Limited Partners").

WITNESSETH:

WHEREAS, the Agreement of Limited Partnership of Simon Property Group, L.P. (the "Partnership") was last amended and restated in its entirety by the Sixth Amended and Restated Limited Partnership Agreement, dated September 24, 1998;

WHEREAS, the parties hereto wish to provide for the further amendment and restatement of the Agreement of Limited Partnership of the Partnership to make various other changes provided for below;

WHEREAS, the further amendment and restatement of the Agreement of Limited Partnership of the Partnership requires the Consent of the Limited Partners (as defined herein); and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereto, intending legally to be bound, hereby agree that the Sixth Amended and Restated Agreement of Limited Partnership of the Partnership, as heretofore amended and restated, is hereby further amended and restated in its entirety to read as follows:

ARTICLE I

DEFINITIONS; ETC.

1.1 DEFINITIONS. Except as otherwise herein expressly provided the following terms and phrases shall have the meanings set forth below:

"ACCOUNTANTS" shall mean the firm or firms of independent certified public accountants selected by the Managing General Partner from time to time on behalf of the Partnership to audit the books and records of the Partnership and to prepare and certify statements and reports in connection therewith.

"ACT" shall mean the Revised Uniform Limited Partnership Act as enacted in the State of Delaware, as the same may hereafter be amended from time to time.

"ADDITIONAL UNITS" shall have the meaning set forth in Section 9.4 hereof.

"ADJUSTMENT DATE" shall have the meaning set forth in Section 4.3(b) hereof.

"ADMINISTRATIVE EXPENSES" shall mean (i) all administrative and operating costs and expenses incurred by the Partnership, and (ii) those administrative costs and expenses and accounting and legal expenses incurred by the Managing General Partner or the Non-Managing General Partners on behalf or for the benefit of the Partnership.

"AFFECTED GAIN" shall have the meaning set forth in Section 6.1(g) hereof.

"AFFILIATE" shall mean, with respect to any Partner (or as to any other Person the affiliates of which are relevant for purposes of any of the provisions of this Agreement) (i) any member of the Immediate Family of such Partner or Person; (ii) any partner, trustee, beneficiary, member or shareholder of such Partner or Person; (iii) any legal representative, successor or assignee of such Partner or any Person referred to in the preceding clauses (i) and (ii); (iv) any trustee or trust for the benefit of such Partner or any Person referred to in the preceding clauses (i) through (iii); or (v) any Entity which, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such Partner or any Person referred to in the preceding clauses (i) through (iv).

"AFFILIATE FINANCING" shall mean financing or refinancing obtained from a Partner or an Affiliate of a Partner by the Partnership.

"AGREEMENT" shall mean this Sixth Amended and Limited Partnership Agreement, as originally and as amended, modified, supplemented or restated from time to time, as the context requires.

"BANKRUPTCY" shall mean, with respect to any Partner, (i) the commencement by such Partner of any proceeding seeking relief under any provision or chapter of the federal Bankruptcy Code or any other federal or state law relating to insolvency, bankruptcy or reorganization, (ii) an adjudication that such Partner is insolvent or bankrupt, (iii) the entry of an order for relief under the federal Bankruptcy Code with respect to such Partner, (iv) the filing of any petition or the commencement of any case or proceeding against such Partner under the federal Bankruptcy Code unless such petition and the case or proceeding initiated thereby are dismissed within ninety (90) days from the date of such filing

or commencement, (v) the filing of an answer by such Partner admitting the allegations of any such petition, (vi) the appointment of a trustee, receiver or custodian for all or substantially all of the assets of such Partner unless such appointment is vacated or dismissed within ninety (90) days from the date of such appointment but not less than five (5) days before the proposed sale of any assets of such Partner, (vii) the execution by such Partner of a general assignment for the benefit of creditors, (viii) the convening by such Partner of a meeting of its creditors, or any class thereof, for purposes of effecting a moratorium upon or extension or composition of its debts, (ix) the failure of such Partner to pay its debts as they mature, (x) the levy, attachment, execution or other seizure of substantially all of the assets of such Partner where such seizure is not discharged within thirty (30) days thereafter, or (xi) the admission by such Partner in writing of its inability to pay its debts as they mature or that it is generally not paying its debts as they become due.

"CAPITAL ACCOUNT" shall have the meaning set forth in Section 4.8(a) hereof.

"CAPITAL CONTRIBUTION" shall mean, with respect to any Partner, the amount of money and the initial Gross Asset Value of any property other than money contributed to the Partnership with respect to the Partnership Units held by such Partner (net of liabilities secured by such property which the Partnership assumes or takes subject to).

"CERTIFICATE" shall mean the Certificate of Limited Partnership establishing the Partnership, as filed with the office of the Delaware Secretary of State on November 18, 1993, as it has or may hereafter be amended from time to time in accordance with the terms of this Agreement and the Act.

"CHARTER" shall mean the articles of incorporation of a General Partner and all amendments, supplements and restatements thereof.

"CLOSING PRICE" on any date shall mean the last sale price per share, regular way, of the Paired Shares or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, of the Paired Shares in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Paired Shares are not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Paired Shares are listed or admitted to trading or, if the Paired Shares are not listed or admitted to trading on any national securities exchange, the last quoted price, or if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by

the National Association of Securities Dealers, Inc. Automated Quotations System for the Paired Shares or, if such system is no longer in use, the principal other automated quotations system that may then be in use or, if the Paired Shares are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Paired Shares selected from time to time by the Board of Directors of the Managing General Partner.

"CODE" shall mean the Internal Revenue Code of 1986, as amended, or any corresponding provisions of succeeding law.

"COMPUTATION DATE" shall have the meaning set forth in Section 11.3 hereof.

"CONSENT OF THE DEBARTOLOS" shall mean consent of those Limited Partners who are "DeBartolos" as defined herein. EJDC (in such capacity the "DeBartolo Designee") is hereby granted authority by those Limited Partners who are DeBartolos to grant or withhold consent on behalf of the DeBartolos whenever the Consent of the DeBartolos is required hereunder. The DeBartolos shall have the right, from time to time, by written notice to the Partnership signed by DeBartolos who hold in the aggregate more than fifty percent (50%) of the Partnership Units then held by the DeBartolos, to substitute a new Person as the DeBartolo Designee for the Person who is then acting as such. The Partnership, the Partners and all Persons dealing with the Partnership shall be fully protected in relying on any written consent of the DeBartolos which is executed by the Person who is then acting as the DeBartolo Designee. In the event that at any time there is no DeBartolo Designee, the consent of the DeBartolos shall be given by those DeBartolos who hold in the aggregate more than fifty percent (50%) of the Partnership Units then held by the DeBartolos.

"CONSENT OF THE LIMITED PARTNERS" shall mean the written consent of a Majority-In-Interest of the Limited Partners, which consent shall be obtained prior to the taking of any action for which it is required by this Agreement and may be given or withheld by a Majority-In-Interest of the Limited Partners, unless otherwise expressly provided herein, in their sole and absolute discretion. Whenever the Consent of the Limited Partners is sought by a General Partner, the request for such consent, outlining in reasonable detail the matter or matters for which such consent is being requested, shall be submitted to all of the Limited Partners, and each Limited Partner shall have at least 15 days to act upon such request.

"CONSENT OF THE SIMONS" shall mean consent of those Limited Partners who are "Simons" as defined herein. David Simon (the "Simon Designee") is hereby granted authority by those Limited Partners who are Simons to grant or withhold consent on behalf of the Simons whenever the Consent of the Simons is required hereunder. The Simons shall have the right from time to time, by

written notice to the Partnership signed by Simons who hold in the aggregate more than fifty percent (50%) of the Partnership Units then held by the Simons, to substitute a new Person as the Simon Designee for the Person who is then acting as such. The Partnership, the Partners and all Persons dealing with the Partnership shall be fully protected in relying on any written consent of the Simons which is executed by the Person who is then acting as the Simon Designee. In the event that at any time there is no Simon Designee, the Consent of the Simons shall be given by those Simons who hold in the aggregate more than fifty percent (50%) of the Partnership Units then held by the Simons.

"CONTRIBUTED FUNDS" shall have the meaning set forth in Section 4.3(b) hereof.

"CONTRIBUTION CURRENT PER SHARE MARKET PRICE" on any date shall mean the average of the Closing Prices for a period of not less than five consecutive Trading Days nor more than thirty consecutive Trading Days ending on such date, such period determined in the sole and absolute discretion of the Managing General Partner.

"CONTRIBUTION DATE" shall have the meaning set forth in Section 9.4 hereof.

"CONTRIBUTION DEEMED PARTNERSHIP UNIT VALUE" as of any date shall mean (i) the Contribution Current Per Share Market Price as of the Trading Day immediately preceding such date, minus (ii) the Deemed Partnership Unit Value (as defined in the SRC Partnership agreement); PROVIDED, HOWEVER, that Contribution Deemed Partnership Unit Value shall be adjusted as described in Section 11.7(d) hereof in the event of any stock dividend, stock split, stock distribution or similar transaction.

"CONTROL" shall mean the ability, whether by the direct or indirect ownership of shares or other equity interests, by contract or otherwise, to elect a majority of the directors of a corporation, to select the managing partner of a partnership or otherwise to select, or have the power to remove and then select, a majority of those Persons exercising governing authority over an Entity. In the case of a limited partnership, the sole general partner, all of the general partners to the extent each has equal management control and authority, or the managing general partner or managing general partners thereof shall be deemed to have control of such partnership and, in the case of a trust, any trustee thereof or any Person having the right to select or remove any such trustee shall be deemed to have control of such trust.

"COVERED SALE" shall have the meaning set forth in Section 6.2(d) hereof.

"CURRENT PER SHARE MARKET PRICE" on any date shall mean the average of the Closing Prices for the five consecutive Trading Days ending on such date.

"DEBARTOLOS" shall mean (i) the Estate of Edward J. DeBartolo, (ii) Edward J. DeBartolo, Jr., Marie Denise DeBartolo York, members of the Immediate Family of either of the foregoing, any other members of the Immediate Family of Edward J. DeBartolo, any other lineal descendants of any of the foregoing and any trusts established for the benefit of any of the foregoing, and (iii) EJDC and any other Entity Controlled by any one or more of the Persons listed or specified in clauses (i) and (ii) above.

"DEEMED PARTNERSHIP UNIT VALUE" as of any date shall mean (i) the Current Per Share Market Price as of the Trading Day immediately preceding such date, minus (ii) the Deemed Partnership Unit Value (as defined in the SRC Partnership agreement); PROVIDED, HOWEVER, that Deemed Partnership Unit Value shall be adjusted as described in Section 11.7(d) hereof in the event of any stock dividend, stock split, stock distribution or similar transaction.

"DEPRECIATION" shall mean for each Partnership Fiscal Year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable under the Code with respect to a Partnership asset for such year or other period, except that if the Gross Asset Value of a Partnership asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; PROVIDED, HOWEVER, that if the federal income tax depreciation, amortization or other cost recovery deduction for such year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the General Partner.

"DEVELOPMENT LAND" shall mean any vacant land suitable for development as a Project.

"DIRECTORS" shall mean the Board of Directors of the Managing General Partner.

"EFFECTIVE TIME" shall have the meaning set forth in the Merger Agreement.

"EJDC" shall mean The Edward J. DeBartolo Corporation, an Ohio corporation.

"ENTITY" shall mean any general partnership, limited partnership, limited liability company, limited liability partnership, corporation, joint venture, trust, business trust, cooperative or association.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time (or any corresponding provisions of succeeding laws).

"EXERCISE NOTICE" shall have the meaning set forth in Section 11.1 hereof.

"GAAP" shall mean generally accepted accounting principles consistently applied.

"GENERAL PARTNER" shall mean the Managing General Partner, the Non-Managing General Partners and their respective duly admitted successors and assigns and any other Person who is a general partner of the Partnership at the time of reference thereto.

"GP PREFERRED CONTRIBUTED FUNDS" shall have the meaning set forth in Section 4.3(c) hereof.

"GP PREFERRED DISTRIBUTION REQUIREMENT" shall have the meaning set forth in Section 4.3(c) hereof.

"GP PREFERRED REDEMPTION AMOUNT" shall mean, with respect to any class or series of GP Preferred Units, the sum of (i) the amount of any accumulated Preferred Distribution Shortfall with respect to such class or series of GP Preferred Units, (ii) the Preferred Distribution Requirement with respect to such class or series of GP Preferred Units to the date of redemption and (iii) the GP Preferred Redemption Price indicated in the GP Preferred Unit Designation with respect to such class or series of GP Preferred Units.

"GP PREFERRED REDEMPTION PRICE" shall have the meaning set forth in Section 4.3(c) hereof.

"GP PREFERRED UNIT DESIGNATION" shall have the meaning set forth in Section 4.3(c) hereof.

"GP PREFERRED UNITS" means the preferred interests in the Partnership issued to a General Partner pursuant to Section 4.3(c) hereof and having the economic rights, including dividend or distribution, redemption and conversion rights and sinking fund provisions, set forth in a GP Preferred Unit Designation.

"GROSS ASSET VALUE" shall have the meaning set forth in Section 4.8(b) hereof.

"GROSS INCOME" shall mean the income of the Partnership determined pursuant to Section 61 of the Code before deduction of items of expense or deduction.

"IMMEDIATE FAMILY" shall mean, with respect to any Person, such Person's spouse, parents, parents-in-law, descendants by blood or adoption, nephews, nieces, brothers, sisters, brothers-in-law, sisters-in-law and children-in-law (in each case by whole or half-blood).

"INCURRENCE" shall have the meaning set forth in Section 10.5(a) hereof.

"INDEPENDENT DIRECTORS" shall mean members of the Board of Directors of the Managing General Partner, none of whom is either employed by the Managing General Partner or a member (or an Affiliate of a member) of the Simons.

"INSTITUTIONAL INVESTORS" shall have the meaning set forth in Rule 501(a)(1)-(3), (7) and (8) of Regulation D promulgated under the Securities Act.

"INSTITUTIONAL LENDER" shall mean a commercial bank or trust company, a savings and loan association or an insurance company.

"JCP" shall mean JCP Realty, Inc., a Delaware corporation, or Brandywine Realty, Inc., a Delaware corporation, or any of its or their Affiliates that becomes a Limited Partner hereunder and that is an "accredited investor" as defined in Regulation D under the Securities Act, as amended.

"JCP LIMITED PARTNER" shall mean JCP, in its capacity as a Limited Partner or Partners hereunder.

"JCP PROPERTY LIABILITIES" means any liabilities encumbering the assets of Treasure Coast-JCP Associates, Ltd., Melbourne-JCP Associates, Ltd., Boynton-JCP Associates, Ltd., Chesapeake-JCP Associates, Ltd., Mall of the Mainland Associates, L.P., Port Charlotte-JCP Associates and Northfield Center Limited Partnership, and any liability of the Partnership or any Subsidiary Partnership with respect to which JCP has incurred the "economic risk of loss" within the meaning of Treasury Regulation Section 1.752-2.

"LIEN" shall mean any liens, security interests, mortgages, deeds of trust, charges, claims, encumbrances, restrictions, pledges, options, rights of first offer or first refusal and any other rights or interests of others of any kind or nature, actual or contingent, or other similar encumbrances of any nature whatsoever.

"LIMITED PARTNER LIABILITY" shall mean, with respect to each Limited Partner, each liability (or portion thereof) included in the basis of such Limited Partner (other than as an "excess nonrecourse liability" within the meaning of Regulations Section 1.752-3(a)(3)) for federal income tax purposes.

"LIMITED PARTNERS" shall mean those Persons whose names are set forth on EXHIBIT A hereto as Limited Partners, their permitted successors or assigns as limited partners hereof, and/or any Person who, at the time of reference thereto, is a limited partner of the Partnership.

"LIMITED PARTNERSHIP UNIT" shall mean each Partnership Unit (as defined below) held by a Limited Partner. Each Limited Partnership Unit shall be paired with a SRC Limited Partnership Unit.

"LIQUIDATION AGENT" shall mean such Person as is selected as the Liquidation Agent hereunder by the Managing General Partner, which Person may be the Managing General Partner or an Affiliate of the Managing General Partner, provided such Liquidation Agent agrees in writing to be bound by the terms of this Agreement. The Liquidation Agent shall be empowered to give and receive notices, reports and payments in connection with the dissolution, liquidation and/or winding-up of the Partnership and shall hold and exercise such other rights and powers as are necessary or required to permit all parties to deal with the Liquidation Agent in connection with the dissolution, liquidation and/or winding-up of the Partnership.

"LIQUIDATION TRANSACTION" shall mean any sale of assets of the Partnership in contemplation of, or in connection with, the liquidation of the Partnership.

"LOSSES" shall have the meaning set forth in Section 6.1(a) hereof.

"LP PREFERRED DISTRIBUTION REQUIREMENT" means the dividends or distributions required to be made at the time such dividend or distribution is required to be made on a class or series of LP Preferred Units as set forth in the related LP Preferred Unit Designation.

"LP PREFERRED UNIT DESIGNATION" shall have the meaning set forth in Section 9.4(b) hereof.

"LP PREFERRED UNITS" means the preferred interests in the Partnership issued to a Limited Partner pursuant to Section 9.4(a) hereof and having the economic rights, including dividend or distribution, redemption and conversion rights and sinking fund provisions, set forth in the related LP Preferred Unit Designation.

"MAJOR DECISIONS" shall have the meaning set forth in Section 7.3(b) hereof.

"MAJORITY-IN-INTEREST OF THE LIMITED PARTNERS" shall mean Limited Partner(s) who hold in the aggregate more than fifty percent (50%) of the Partnership Units then held by all the Limited Partners, as a class (excluding any Partnership Units held by the Non-Managing General Partners or by the Managing General Partner, any Person Controlled by any of such General Partners or any Person holding as nominee for either of such General Partners).

Managing General Partner advances Required Funds to the Partnership pursuant to this Section 4.3(b) as Contributed Funds, then the Partnership shall assume and pay (or reflect on its books as additional Contributed Funds) the expenses (including any applicable underwriting discounts) incurred by the Managing General Partner or a Non-Managing General Partner (or such Affiliate) in connection with raising such Required Funds through a public offering of its securities or otherwise. If the Managing General Partner advances Required Funds to the Partnership as Contributed Funds pursuant to this Section 4.3(b) from any offering or sale of Shares (including, without limitation, any issuance of Shares pursuant to the exercise of options, warrants, convertible securities or similar rights to acquire Shares), the Partnership shall issue additional Partnership Units to the Managing General Partner to reflect its contribution of the Contributed Funds equal in number to such number of Shares issued in such offering or sale.

(c) In the event any General Partner contributes to the Partnership any Required Funds obtained from the sale of Preferred Shares ("GP Preferred Contributed Funds"), then the Partnership shall assume and pay the expenses (including any applicable underwriter discounts) incurred by the Managing General Partner in connection with raising such Required Funds. In addition, the Managing General Partner shall be issued GP Preferred Units of a designated class or series (a) to reflect its contribution of GP Preferred Contributed Funds and (b) to reflect its issuance of a Related Issue upon conversion of or in exchange for any LP Preferred Units. Each class or series of GP Preferred Units so issued shall be designated by the Managing General Partner to identify such class or series with the class or series of Preferred Shares which constitutes the Related Issue. Each class or series of GP Preferred Units shall be described in a written document (the "GP Preferred Unit Designation") attached as EXHIBIT B-1 that shall set forth, in sufficient detail, the economic rights, including dividend, distribution, redemption and conversion rights and sinking fund provisions, of the class or series of GP Preferred Units and the Related Issue. The number of GP Preferred Units of a class or series shall be equal to the number of shares of the Related Issue sold. The GP Preferred Unit Designation shall provide for such terms for the class or series of GP Preferred Units that shall entitle the Managing General Partner to substantially the same economic rights as the holders of the Related Issue. Specifically, the Managing General Partner shall receive distributions on the class or series of GP Preferred Units pursuant to Section 6.2 equal to the aggregate dividends payable on the Related Issue at the times such dividends are paid (the "GP Preferred Distribution Requirement"). The Partnership shall redeem the class or series of GP Preferred Units for a redemption price per GP Preferred Unit equal to the redemption price per share of the Related Issue, exclusive of any accrued unpaid dividends (the "GP Preferred Redemption Price") upon the redemption of any shares of the Related Issue. Each class or series of GP Preferred Units shall also be converted into

additional Partnership Units at the time and on such economic terms and conditions as the Related Issue is converted into Shares. Upon the issuance of any class or series of GP Preferred Units pursuant to this Section 4.3(c), the Managing General Partner shall provide the Limited Partners with a copy of the GP Preferred Unit Designation relating to such class or series. The Managing General Partner shall have the right, in lieu of contributing to the Partnership proceeds from the sale of Preferred Shares as GP Preferred Contributed Funds, to lend such proceeds to the Partnership. Any such loan shall be on the same terms and conditions as the Related Issue except that dividends payable on the Related Issue shall be payable by the Partnership to the Managing General Partner as interest, any mandatory redemptions shall take the form of principal payments and no GP Preferred Units shall be issued to the Managing General Partner. If any such loan is made, the Partnership shall promptly reimburse the Managing General Partner for all expenses (including any applicable underwriter discounts) incurred by the Managing General Partner in connection with raising the Required Funds. Any such loan made by the Managing General Partner to the Partnership may at any time be contributed to the Partnership as GP Preferred Contributed Funds in exchange for GP Preferred Units as above provided; and if the Related Issue is by its terms convertible into Shares, such loan shall be so contributed to the Partnership prior to the effectuation of such conversion.

4.4 REDEMPTION; CHANGE IN NUMBER OF SHARES OUTSTANDING.

(a) If the Managing General Partner shall redeem any of its outstanding Shares, the Partnership shall concurrently therewith redeem an equal number of Units held by the Managing General Partner for the same price (as determined in good faith by the Board of Directors of the Managing General Partner) as paid by the Managing General Partner for the redemption of such Shares.

(b) In the event of any change in the outstanding number of Shares by reason of any share dividend, split, reverse split, recapitalization, merger, consolidation or combination, the number of Units held by each Partner (or assignee) shall be proportionately adjusted such that, to the extent possible, one Unit remains the equivalent of one Share without dilution.

4.5 STOCK OPTION PLAN; DIVIDEND REINVESTMENT PLAN. (a) If at any time a stock option granted by the Partnership in connection with a stock option plan is exercised in accordance with its terms, and the Partnership chooses not to acquire any or all of the stock required to satisfy such option through open market purchases, the Managing General Partner shall, as soon as practicable after such exercise, sell to the Partnership for use in satisfying such stock option, at a purchase price equal to the Current Per Share Market Price on the date such stock option is exercised, the number of newly issued Shares for which such option is exercised (or, if such stock option is to be satisfied in part through open market purchases, the remaining number of

newly issued Shares) and the Managing General Partner shall contribute to the capital of the Partnership, in exchange for additional Partnership Units, an amount equal to the price paid to the Managing General Partner by the Partnership in connection with the Partnership's purchase of newly issued Shares upon exercise of such stock option. The number of Partnership Units to be so issued shall be determined by dividing the amount of such capital contribution by the Deemed Partnership Unit Value, computed as of the Trading Day immediately preceding the date of such capital contribution. The Managing General Partner shall promptly give each Limited Partner written notice of the number of Partnership Units so issued. The Partnership shall retain the exercise or purchase price paid by the holder of such option for the Shares such holder is entitled to receive upon such exercise.

(b) All amounts received by the Managing General Partner in respect of its dividend reinvestment plan, if any, either (a) shall be utilized by the Managing General Partner to effect open market purchases of Paired Shares, or (b) if the Managing General Partner elects instead to issue new shares with respect to such amounts, shall be contributed by the Managing General Partner to the Partnership in exchange for additional Partnership Units. The number of Partnership Units so issued shall be determined by dividing the amount of funds so contributed by the Deemed Partnership Unit Value, computed as of the Trading Day immediately preceding the date such funds are contributed. The Managing General Partner shall promptly give each Limited Partner written notice of the number of Partnership Units so issued.

4.6 NO THIRD PARTY BENEFICIARY. No creditor or other Third Party having dealings with the Partnership shall have the right to enforce the right or obligation of any Partner to make Capital Contributions or to pursue any other right or remedy hereunder or at law or in equity, it being understood and agreed that the provisions of this Agreement shall be solely for the benefit of, and may be enforced solely by, the parties hereto and their respective successors and assigns. None of the rights or obligations of the Partners herein set forth to make Capital Contributions to the Partnership shall be deemed an asset of the Partnership for any purpose by any creditor or other third party, nor may such rights or obligations be sold, transferred or assigned by the Partnership or pledged or encumbered by the Partnership to secure any debt or other obligation of the Partnership or of any of the Partners.

4.7 NO INTEREST; NO RETURN. No Partner shall be entitled to interest on its Capital Contribution or on such Partner's Capital Account. Except as provided herein or by law, no Partner shall have any right to withdraw any part of its Capital Account or to demand or receive the return of its Capital Contribution from the Partnership.

4.8 CAPITAL ACCOUNTS.

(a) The Partnership shall establish and maintain a separate capital account ("Capital Account") for each Partner, including a Partner who shall pursuant to the provisions hereof acquire a Partnership Interest, which Capital Account shall be:

(1) credited with the amount of cash contributed by such Partner to the capital of the Partnership; the initial Gross Asset Value (net of liabilities secured by such contributed property that the Partnership assumes or takes subject to) of any other property contributed by such Partner to the capital of the Partnership; such Partner's distributive share of Profits; and any other items in the nature of income or gain that are allocated to such Partner pursuant to Section 6.1 hereof, but excluding tax items described in Regulations Section 1.704-1(b)(4)(i); and

(2) debited with the amount of cash distributed to such Partner pursuant to the provisions of this Agreement; the Gross Asset Value (net of liabilities secured by such distributed property that such Partner assumes or takes subject to) of any Partnership property distributed to such Partner pursuant to any provision of this Agreement; the amount of unsecured liabilities of such Partner assumed by the Partnership; such Partner's distributive share of Losses; in the case of the General Partners, payments of REIT Expenses by the Partnership; and any other items in the nature of expenses or losses that are allocated to such Partner pursuant to Section 6.1 hereof, but excluding tax items described in Regulations Section 1.704-1(b)(4)(i). In the event that any or all of a Partner's Partnership Units or Preferred Units are transferred within the meaning of Regulations Section 1.704-1(b)(2)(iv)(1), the transferee shall succeed to the Capital Account of the transferor to the extent that it relates to the Partnership Units or Preferred Units so transferred.

In the event that the Gross Asset Values of Partnership assets are adjusted pursuant to Section 4.8(b)(ii) hereof, the Capital Accounts of the Partners shall be adjusted to reflect the aggregate net adjustments as if the Partnership sold all of its properties for their fair market values and recognized gain or loss for federal income tax purposes equal to the amount of such aggregate net adjustment.

A Limited Partner shall be liable unconditionally to the Partnership for all or a portion of any deficit in its Capital Account if it so elects to be liable for such deficit or portion thereof. Such election may be for either a limited or unlimited amount and may be amended or withdrawn at any time. The election, and any amendment thereof, shall be made by written notice to the Managing General Partner (and the Managing General Partner shall promptly upon receipt deliver copies thereof to the other Partners) stating that the Limited Partner elects to be liable, and specifying the limitations, if any, on the maximum amount or duration of such liability. Said election, or amendment thereof,

shall be effective only from the date 25 days after written notice thereof is received by the Managing General Partner, and shall terminate upon the date, if any, specified therein as a termination date or upon delivery to the Managing General Partner of a subsequent written notice terminating such election. A termination of any such election, or an amendment reducing the Limited Partner's maximum liability thereunder or the duration thereof, shall not be effective to avoid responsibility for any loss incurred prior to such termination or the effective date of such amendment. Except as provided in this Section 4.8 or as required by law, no Limited Partner shall be liable for any deficit in its Capital Account or be obligated to return any distributions of any kind received from the Partnership.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 1.704-1(b) of the Regulations, and shall be interpreted and applied as provided in the Regulations.

(b) The term "Gross Asset Value" or "Gross Asset Values" means, with respect to any asset of the Partnership, such asset's adjusted basis for federal income tax purposes, except as follows:

(i) the initial Gross Asset Value of any asset contributed by a Partner to the Partnership shall be the gross fair market value of such asset as reasonably determined by the Managing General Partner;

(ii) the Gross Asset Values of all Partnership assets shall be adjusted to equal their respective gross fair market values, as reasonably determined by the General Partner, immediately prior to the following events:

(A) a Capital Contribution (other than a DE MINIMIS Capital Contribution, within the meaning of Section 1.704-1(b)(2)(iv)(f)(5)(i) of the Regulations) to the Partnership by a new or existing Partner as consideration for Partnership Units;

(B) the distribution by the Partnership to a Partner of more than a DE MINIMIS amount (within the meaning of Section 1.704-1(b)(2)(iv)(f)(5)(ii) of the Regulations) of Partnership property as consideration for the redemption of Partnership Units;

(C) the liquidation of the Partnership within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations; and

(D) in the sole discretion of the Managing General Partner, any transaction involving LP Preferred Units; and

(iii) the Gross Asset Values of Partnership assets distributed to any Partner shall be the gross fair market values

of such assets as reasonably determined by the Managing General Partner as of the date of distribution. At all times, Gross Asset Values shall be adjusted by any Depreciation taken into account with respect to the Partnership's assets for purposes of computing Profits and Losses. Any adjustment to the Gross Asset Values of Partnership property shall require an adjustment to the Partners' Capital Accounts as described in Section 4.8(a) above.

ARTICLE V

REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENT

5.1 REPRESENTATIONS AND WARRANTIES BY MANAGING GENERAL PARTNER. The Managing General Partner represents and warrants to the Limited Partners, the other General Partners and to the Partnership that (i) it is a corporation duly formed, validly existing and in good standing under the laws of its state of incorporation, with full right, corporate power and authority to fulfill all of its obligations hereunder or as contemplated herein; (ii) all transactions contemplated by this Agreement to be performed by it have been duly authorized by all necessary action; (iii) this Agreement has been duly executed and delivered by and is the legal, valid and binding obligation of the Managing General Partner and is enforceable against it in accordance with its terms, except as such enforcement may be limited by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer or other laws of general application affecting the rights and remedies of creditors and (b) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law); (iv) no authorization, approval, consent or order of any court or governmental authority or agency or any other Entity is required in connection with the execution and delivery of this Agreement by the Managing General Partner, except as may have been received prior to the date of this Agreement; (v) the execution and delivery of this Agreement by the Managing General Partner and the consummation of the transactions contemplated hereby will not conflict with or constitute a breach or violation of, or a default under, any contract, indenture, mortgage, loan agreement, note, lease, joint venture or partnership agreement or other instrument or agreement to which either the Managing General Partner or the Partnership is a party; and (vi) the Partnership Units, upon payment of the consideration therefore pursuant to this Agreement, will be validly issued, fully paid and, except as otherwise provided in accordance with applicable law, non-assessable.

5.2 REPRESENTATIONS AND WARRANTIES BY NON-MANAGING GENERAL PARTNERS. Each of the Non-Managing General Partners represents and warrants to the Limited Partners, the other General Partners and to the Partnership that (i) it is a corporation duly formed, validly existing and in good standing under the laws of its state of incorporation, with full right, corporate power and authority to fulfill all of its obligations hereunder or as contemplated herein; (ii) all transactions contemplated by this Agreement to be performed by it have been duly authorized by all necessary action;

(iii) this Agreement has been duly executed and delivered by and is the legal, valid and binding obligation of the Non-Managing General Partner and is enforceable against it in accordance with its terms, except as such enforcement may be limited by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer or other laws of general application affecting the rights and remedies of creditors and (b) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law); (iv) no authorization, approval, consent or order of any court or governmental authority or agency or any other Entity is required in connection with the execution and delivery of this Agreement by the Non-Managing General Partner, except as may have been received prior to the date of this Agreement; and (v) the execution and delivery of this Agreement by the Non-Managing General Partner and the consummation of the transactions contemplated hereby will not conflict with or constitute a breach or violation of, or default under, any contract, indenture, mortgage, loan agreement, note, lease, joint venture or partnership agreement or other instrument or agreement to which the Non-Managing General Partner is a party.

5.3 REPRESENTATIONS AND WARRANTIES BY THE LIMITED PARTNERS. Each Limited Partner, for itself only, represents and warrants to the General Partners, the other Limited Partners and the Partnership that (i) all transactions contemplated by this Agreement to be performed by such Limited Partner have been duly authorized by all necessary action; and (ii) this Agreement is binding upon, and enforceable against, such Limited Partner in accordance with its terms, except as such enforcement may be limited by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or transfer or other laws of general application affecting the rights and remedies of creditors and (b) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

5.4 ACKNOWLEDGMENT BY EACH PARTNER. Each Partner hereby acknowledges that no representations as to potential profit, cash flows or yield, if any, in respect of the Partnership or any one or more or all of the Projects owned, directly or indirectly, by the Partnership have been made to it by any other Partner or its Affiliates or any employee or representative of any other Partner or its Affiliates, and that projections and any other information, including, without limitation, financial and descriptive information and documentation, which may have been in any manner submitted to such Partner shall not constitute a representation or warranty, express or implied.

ARTICLE VI

ALLOCATIONS, DISTRIBUTIONS AND OTHER TAX AND ACCOUNTING MATTERS

6.1 ALLOCATIONS.

(a) For the purpose of this Agreement, the terms "Profits" and "Losses" mean, respectively, for each Partnership Fiscal Year or other period, the Partnership's taxable income or

loss for such Partnership Fiscal Year or other period, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), adjusted as follows:

(1) any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this Section 6.1(a) shall be added to such taxable income or loss;

(2) in lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Partnership Fiscal Year or other period;

(3) any items that are specially allocated pursuant to Section 6.1(d) hereof shall not be taken into account in computing Profits or Losses; and

(4) any expenditures of the Partnership described in Section 705(a)(2)(B) of the Code (or treated as such under Regulation Section 1.704-1(b)(2)(iv)(i)) and not otherwise taken into account in computing Profits or Losses pursuant to this Section 6.1(a) shall be deducted in calculating such taxable income or loss.

(b) Except as otherwise provided in Section 6.1(d) hereof and this Section 6.1(b), the Profits and Losses of the Partnership (and each item thereof) for each Partnership Fiscal Year shall be allocated among the Partners in the following order of priority, unless otherwise specified in a Preferred Unit Designation:

(1) First, Profits shall be allocated to the holders of Preferred Units in an amount equal to the excess of (A) the amount of Net Operating Cash Flow distributed to each such holder pursuant to Sections 6.2(b) and Section 6.2(c)(but only to the extent of the Preferred Distribution Requirement and Preferred Distribution Shortfalls) for the current and all prior Partnership Fiscal Years over (B) the amount of Profits previously allocated to each such holder pursuant to this subparagraph (1).

(2) Second, for any Partnership Fiscal Year ending on or after a date on which Preferred Units are redeemed, Profits (or Losses) shall be allocated to the holders of such Preferred Units in an amount equal to the excess (or deficit) of the sum of the applicable Preferred Redemption Amounts for the Preferred Units that have been or are being redeemed during such Partnership Fiscal Year over the Preferred Unit Issue Price of such Preferred Units. In addition, in the event that the Partnership is liquidated pursuant to Article VIII, the allocation described above shall be made to the holders of Preferred Units with respect to all Preferred Units then outstanding.

(3) Third, any remaining Profits and Losses shall be allocated among the Partners in accordance with their proportionate ownership of Partnership Units except as otherwise required by the Regulations.

(4) Notwithstanding subparagraphs (1), (2) and (3), Profits and Losses from a Liquidation Transaction shall be allocated as follows unless otherwise specified in a Preferred Unit Designation:

First, Profits (or Losses) shall be allocated to the holders of Preferred Units in an amount equal to the excess (or deficit) of the sum of the applicable Preferred Redemption Amounts of the Preferred Units which have been or will be redeemed with the proceeds of the Liquidation Transaction over the Preferred Unit Issue Price of such Preferred Units;

Second, Profits (or Losses) shall be allocated among the Partners so that the Capital Accounts of the Partners (excluding from the Capital Account of any Partner the amount attributable to its Preferred Units) are proportional to the number of Partnership Units held by each Partner; and

Third, any remaining Profits and Losses shall be allocated among the Partners in accordance with their proportionate ownership of Partnership Units.

(c) For the purpose of Section 6.1(b) hereof, gain or loss resulting from any disposition of Partnership property shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property for federal income tax purposes differs from its Gross Asset Value.

(d) Notwithstanding the foregoing provisions of this Section 6.1, the following provisions shall apply:

(1) A Partner shall not receive an allocation of any Partnership deduction that would result in total loss allocations attributable to "Nonrecourse Liabilities" (as defined in Regulations Section 1.704-2(b)(3)) in excess of such Partner's share of Minimum Gain (as determined under Regulations Section 1.704-2(g)). The term "Minimum Gain" means an amount determined in accordance with Regulations Section 1.704-2(d) by computing, with respect to each Nonrecourse Liability of the Partnership, the amount of gain, if any, that the Partnership would realize if it disposed of the property subject to such liability for no consideration other than full satisfaction thereof, and by then aggregating the amounts so computed. If the Partnership makes a distribution allocable to the proceeds of a Nonrecourse Liability, in accordance with Regulation Section 1.704-2(h), the distribution will be treated as allocable to an increase in Partnership Minimum Gain to the extent the increase results from encumbering Partnership property with aggregate Nonrecourse Liabilities that

"MANAGING GENERAL PARTNER" shall mean Simon Property Group, Inc., a Delaware corporation.

"MERGER AGREEMENT" shall have the meaning set forth in the Recitals hereto.

"MINIMUM GAIN" shall have the meaning set forth in Section 6.1(d)(1) hereof.

"MINIMUM GAIN CHARGEBACK" shall have the meaning set forth in Section 6.1(d)(1) hereof.

"NET FINANCING PROCEEDS" shall mean the cash proceeds received by the Partnership in connection with any borrowing by or on behalf of the Partnership (whether or not secured), or distributed to the Partnership in respect of any such borrowing by any Subsidiary Entity, after deduction of all costs and expenses incurred by the Partnership in connection with such borrowing, and after deduction of that portion of such proceeds used to repay any other indebtedness of the Partnership, or any interest or premium thereon.

"NET OPERATING CASH FLOW" shall mean, with respect to any fiscal period of the Partnership, the aggregate amount of all cash received by the Partnership from any source for such fiscal period (including Net Sale Proceeds and Net Financing Proceeds but excluding Contributed Funds), less the aggregate amount of all expenses or other amounts paid with respect to such period and such additional cash reserves as of the last day of such period as the Managing General Partner deems necessary for any capital or operating expenditure permitted hereunder.

"NET SALE PROCEEDS" shall mean the cash proceeds received by the Partnership in connection with a sale or other disposition of any asset by or on behalf of the Partnership or a sale or other disposition of any asset by or on behalf of any Subsidiary Entity, after deduction of any costs or expenses incurred by the Partnership, or payable specifically out of the proceeds of such sale or other disposition (including, without limitation, any repayment of any indebtedness required to be repaid as a result of such sale or other disposition or which the Managing General Partner elects to repay out of the proceeds of such sale or other disposition, together with accrued interest and premium, if any, thereon and any sales commissions or other costs and expenses due and payable to any Person), in connection with such sale or other disposition.

"NON-MANAGING GENERAL PARTNERS" shall mean, collectively, SD Property Group, Inc. and SPG Properties, Inc.

"NONRECOURSE LIABILITIES" shall have the meaning set forth in Section 6.1(d)(1) hereof.

"OFFERED UNITS" shall have the meaning set forth in Section 11.1 hereof.

"OWNERSHIP LIMIT" shall have the meaning set forth in Article Ninth of the Charter of the Managing General Partner.

"PAIRED SHARES" shall mean one Share and a PRO RATA beneficial interest in the trust which owns all of the outstanding shares of the Common Stock, par value \$0.0001 per share, of SPG Realty that are subject to a trust agreement among certain stockholders of the Managing General Partner, a trustee and SPG Realty, pursuant to which holders of Shares are beneficiaries of such trust agreement.

"PARTNER NONRECOURSE DEBT" shall have the meaning set forth in Section 6.1(d)(2) hereof.

"PARTNER NONRECOURSE DEBT MINIMUM GAIN" shall have the meaning set forth in Section 6.1(d)(2) hereof.

"PARTNER NONRECOURSE DEDUCTION" shall have the meaning set forth in Section 6.1(d)(2) hereof.

"PARTNERS" shall mean the Managing General Partner, the Non-Managing General Partners and the Limited Partners, their duly admitted successors or assigns or any Person who is a partner of the Partnership at the time of reference thereto.

"PARTNERSHIP" shall mean Simon Property Group, L.P., a Delaware limited partnership, as such limited partnership may from time to time be constituted.

"PARTNERSHIP FISCAL YEAR" shall mean the calendar year.

"PARTNERSHIP INTEREST" shall mean the interest of a Partner in the Partnership.

"PARTNERSHIP MINIMUM GAIN" shall have the meaning set forth in Section 1.704-2(b)(2) of the Regulations.

"PARTNERSHIP RECORD DATE" shall mean the record date established by the Managing General Partner for a distribution of Net Operating Cash Flow pursuant to Section 6.2 hereof, which record date shall be the same as the record date established by the Managing General Partner for distribution to its shareholders of some or all of its share of such distribution.

"PARTNERSHIP UNITS" OR "UNITS" shall mean the interest in the Partnership of any Partner which entitles a Partner to the allocations (and each item thereof) specified in Section 6.1(b) hereof and all distributions from the Partnership, and its rights of management, consent, approval, or participation, if any, as provided in this Agreement. Partnership Units do not include Preferred Units. Each Partner's percentage ownership interest in

the Partnership shall be determined by dividing the number of Partnership Units then owned by each Partner by the total number of Partnership Units then outstanding. The number of Partnership Units held by each Partner at the date hereof is as set forth opposite its name on attached EXHIBIT A.

"PERSON" shall mean any individual or Entity.

"PLEDGE" shall mean granting of a Lien on a Partnership Interest.

"POST-EXCHANGE DISTRIBUTION" shall have the meaning set forth in Section 6.2(a) hereof.

"PREFERRED DISTRIBUTION REQUIREMENT" shall mean the GP Preferred Distribution Requirement and the LP Preferred Distribution Requirement.

"PREFERRED DISTRIBUTION SHORTFALL" shall have the meaning set forth in Section 6.2(b)(i) hereof.

"PREFERRED SHARES" shall mean any class of equity securities of any of the General Partners now or hereafter authorized or reclassified having dividend rights that are superior or prior to dividends payable on the Shares or any other shares of common stock of such General Partners.

"PREFERRED UNITS" shall mean GP Preferred Units issued to a General Partner pursuant to Section 4.3(c) hereof and LP Preferred Units issued to a Limited Partner pursuant to Section 9.4(a) hereof. Unless otherwise specified in the Preferred Unit Designations, as the case may be, the holders of any class or series of Preferred Units shall have such rights to the allocations of Profits and Losses as specified in Section 6.1 hereof and to distributions pursuant to Section 6.2 hereof, but shall not, by reason of their ownership of such Preferred Units, be entitled to participate in the management of the Partnership or to consent to or approve any action which is required by the Act or this Agreement to be approved by any or all of the Partners.

"PREFERRED UNIT DESIGNATION" means the GP Preferred Unit Designations and the LP Preferred Unit Designations, collectively.

"PREFERRED UNIT ISSUE PRICE" shall mean (i) with respect to GP Preferred Units, (a) the amount of the Required Funds contributed or deemed to have been contributed by a General Partner in exchange for a GP Preferred Unit or (b) in the case of GP Preferred Units issued in respect of a Related Issue issued upon conversion of or in exchange for any LP Preferred Units, the liquidation preference of such GP Preferred Unit upon issuance, and (ii) with respect to LP Preferred Units, the liquidation preference of such LP Preferred Unit upon issuance.

"PROFITS" shall have the meaning set forth in Section 6.1(a) hereof.

"PROJECT" shall mean any property that is or is planned to be used primarily for retail purposes, and shall include, but is not limited to, a regional mall, a community shopping center, a specialty retail center and a mixed-use property which contains a major retail component.

"PROPERTY OR PROPERTIES" shall mean any Development Land or Project in which the Partnership acquires ownership of (a) the fee or leasehold interest or (b) an indirect fee or leasehold interest through an interest in any other Entity.

"PURCHASE PRICE" shall have the meaning set forth in Section 11.3 hereof.

"QUALIFIED REIT SUBSIDIARIES" shall have the meaning set forth in Section 856(i)(2) of the Code.

"REGISTRATION RIGHTS AGREEMENTS" shall mean the agreements, in effect as of the Effective Time, among the Managing General Partner, certain of its stockholders and certain holders of Units.

"REGULATIONS" shall mean the final, temporary or proposed income tax regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"REGULATORY ALLOCATIONS" shall have the meaning set forth in Section 6.1(d)(5) hereof.

"REIT EXPENSES" shall mean (i) costs and expenses relating to the continuity of existence of the Managing General Partner and the Non-Managing General Partners and their respective subsidiaries, including taxes, fees and assessments associated therewith, and any and all costs, expenses or fees payable to any director or trustee of the Managing General Partner, the Non-Managing General Partners or such subsidiaries, (ii) costs and expenses relating to any offer or registration of securities by the Managing General Partner, the Non-Managing General Partners or their respective subsidiaries and all statements, reports, fees and expenses incidental thereto, including underwriting discounts, selling commissions and placement fees applicable to any such offer of securities; PROVIDED, HOWEVER, that in the case of any such registration of securities on behalf of one or more of the security holders of the Managing General Partner, the Non-Managing General Partners or their respective subsidiaries, REIT Expenses shall not include underwriting discounts or selling commissions), (iii) costs and expenses associated with the preparation and filing of any periodic reports by the Managing General Partner, the Non-Managing General Partners or their respective subsidiaries under federal, state or local laws or regulations, including tax returns and filings with the SEC and any stock exchanges on which

the Shares are listed, (iv) costs and expenses associated with compliance by the Managing General Partner, the Non-Managing General Partners or their respective subsidiaries with laws, rules and regulations promulgated by any regulatory body, including the SEC, (v) costs and expenses associated with any 401(k) Plan, incentive plan, bonus plan or other plan providing for compensation for the employees of the Managing General Partner, the Non-Managing General Partners or their respective subsidiaries, and (vi) all operating, administrative and other costs incurred by the Managing General Partner, the Non-Managing General Partners or their respective subsidiaries (including attorney's and accountant's fees, income and franchise taxes and salaries paid to officers of the Managing General Partner, the Non-Managing General Partners or their respective subsidiaries, but excluding costs of any repurchase by the General Partners of any of their securities and excluding costs associated with activities and business operations not conducted directly or indirectly through the Partnership or any Subsidiary Partnership); PROVIDED, HOWEVER that amounts described herein shall be considered REIT Expenses hereunder (1) only if and to the extent during the fiscal year in question the aggregate amount of such expenses for such fiscal year and all prior fiscal years exceeds the aggregate of (a) all amounts theretofore distributed or distributable to the Managing General Partner or a Non-Managing General Partner by any wholly-owned subsidiary thereof and (b) all amounts theretofore paid to the Managing General Partner or a Non-Managing General Partner pursuant to Section 7.1 hereof and (2) with respect to a Non-Managing General Partner, only if the Managing General Partner holds, directly or indirectly, substantially all of the equity interests of the Non-Managing General Partner and controls, directly or indirectly, the Non-Managing General Partner.

"REIT REQUIREMENTS" shall mean all actions or omissions as may be necessary (including making appropriate distributions from time to time) to permit each of the Managing General Partner, the Non-Managing General Partners and, where applicable, their respective subsidiaries to qualify or continue to qualify as a real estate investment trust within the meaning of Section 856 ET SEQ. of the Code, as such provisions may be amended from time to time, or the corresponding provisions of succeeding law.

"REIT" shall mean a real estate investment trust as defined in Section 856 of the Code.

"RELATED ISSUES" shall mean, with respect to a class or series of GP Preferred Units, (a) the class or series of Preferred Shares the sale of which provided a General Partner with the proceeds to contribute to the Partnership in exchange for such GP Preferred Units and (b) the class or series of Preferred Shares issued upon conversion of or in exchange for any LP Preferred Units.

"REQUIRED FUNDS" shall have the meaning set forth in Section 4.3(a) hereof.

"RIGHTS" shall have the meaning set forth in Section 11.1 hereof.

"SD PROPERTY" shall mean SD Property Group, Inc.

"SEC" shall mean the United States Securities and Exchange Commission.

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

"SHARES" shall mean the shares of Common Stock, par value \$0.0001 per share, of the Managing General Partner.

"SIMONS" shall mean Melvin Simon, Herbert Simon and David Simon, other members of the Immediate Family of any of the foregoing, any other lineal descendants of any of the foregoing, any trusts established for the benefit of any of the foregoing, and any Entity Controlled by any one or more of the foregoing.

"SPG PROPERTIES" shall mean SPG Properties, Inc.

"SPG REALTY" shall mean SPG Realty Consultants, Inc.

"SRC LIMITED PARTNERSHIP UNITS" shall mean interests in the SRC Partnership (as defined below) held by a Limited Partner, each of which is paired with a Limited Partnership Unit.

"SRC PARTNERSHIP" shall mean SPG Realty Consultants, L.P., a Delaware limited partnership.

"SRC PARTNERSHIP UNITS" shall mean interests in the SRC Partnership.

"SUBSIDIARY ENTITY" shall mean any Entity in which the Partnership owns a direct or indirect equity interest.

"SUBSIDIARY PARTNERSHIP" shall mean any partnership in which the Partnership owns a direct or indirect equity interest.

"SUBSTITUTED LIMITED PARTNER" shall have the meaning set forth in the Act.

"TAX MATTERS PARTNER" shall have the meaning set forth in Section 6.7 hereof.

"THIRD PARTY FINANCING" shall mean financing or refinancing obtained from a Third Party by the Partnership.

"THIRD PARTY" or "THIRD PARTIES" shall mean a Person or Persons who is or are neither a Partner or Partners nor an Affiliate or Affiliates of a Partner or Partners.

"TRADING DAY" shall mean a day on which the principal national securities exchange on which the Shares are listed or admitted to trading is open for the transaction of business or, if the Shares are not listed or admitted to trading on any national securities exchange, shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

"TRANSFER" shall mean any assignment, sale, transfer, conveyance or other disposition or act of alienation (other than a Pledge), whether voluntary or involuntary or by operation of law.

1.2 EXHIBIT. ETC. References in this Agreement to an "Exhibit" are, unless otherwise specified, to one of the Exhibits attached to this Agreement, and references in this Agreement to an "Article" or a "Section" are, unless otherwise specified, to one of the Articles or Sections of this Agreement. Each Exhibit attached hereto and referred to herein is hereby incorporated herein by reference.

ARTICLE II CONTINUATION OF PARTNERSHIP

2.1 CONTINUATION. The parties hereto do hereby agree to continue the Partnership as a limited partnership pursuant to the provisions of the Act, and all other pertinent laws of the State of Delaware, for the purposes and upon the terms and conditions hereinafter set forth. The Partners agree that the rights and liabilities of the Partners shall be as provided in the Act except as otherwise herein expressly provided. Promptly upon the execution and delivery of this Agreement, the Managing General Partner shall cause each notice, instrument, document or certificate as may be required by applicable law, and which may be necessary to enable the Partnership to continue to conduct its business, and to own its properties, under the Partnership name to be filed or recorded in all appropriate public offices. Upon request of the Managing General Partner, the Partners shall execute any assumed or fictitious name certificate or certificates required by law to be filed in connection with the Partnership. The Managing General Partner shall properly cause the execution and delivery of such additional documents and shall perform such additional acts consistent with the terms of this Agreement as may be necessary to comply with the requirements of law for the continued operation of a limited partnership under the laws of the State of Delaware (it being understood that the Managing General Partner shall be required to provide the General Partners and Limited Partners with copies of any amended Certificates of Limited Partnership required to be filed under such laws only upon request) and for the continued operation of a limited partnership

in each other jurisdiction in which the Partnership shall conduct business.

2.2 NAME. The name of the Partnership is Simon Property Group, L.P., and all business of the Partnership shall be conducted under the name of Simon Property Group, L.P. or such other name as the Managing General Partner may select; PROVIDED, HOWEVER, that the Managing General Partner may not choose the name (or any derivative thereof) of any Limited Partner (other than the names "DeBartolo" or "Simon") without the prior written consent of such Limited Partner. All transactions of the Partnership, to the extent permitted by applicable law, shall be carried on and completed in such name (it being understood that the Partnership may adopt assumed or fictitious names in certain jurisdictions).

2.3 CHARACTER OF THE BUSINESS. The purpose of the Partnership is and shall be to acquire, hold, own, develop, redevelop, construct, reconstruct, alter, improve, maintain, operate, sell, lease, Transfer, encumber, convey, exchange and otherwise dispose of or deal with the Properties and any other real and personal property of all kinds; to undertake such other activities as may be necessary, advisable, desirable or convenient to the business of the Partnership; and to engage in such other ancillary activities as shall be necessary or desirable to effectuate the foregoing purposes. The Partnership shall have all powers necessary or desirable to accomplish the purposes enumerated. In connection with the foregoing, but subject to all of the terms, covenants, conditions and limitations contained in this Agreement and any other agreement entered into by the Partnership, the Partnership shall have full power and authority to enter into, perform and carry out contracts of any kind, to borrow or lend money and to issue evidences of indebtedness, whether or not secured by mortgage, trust deed, pledge or other Lien and, directly or indirectly, to acquire and construct additional Properties necessary or useful in connection with its business.

2.4 LOCATION OF THE PRINCIPAL PLACE OF BUSINESS. The location of the principal place of business of the Partnership shall be at 115 West Washington Street, Indianapolis, Indiana 46204 or such other location as shall be selected from time to time by the Managing General Partner in its sole discretion; PROVIDED, HOWEVER, that the Managing General Partner shall promptly notify the Partners of any change in the location of the principal place of business of the Partnership.

2.5 REGISTERED AGENT AND REGISTERED OFFICE. The Registered Agent of the Partnership shall be The Corporation Trust Company, or such other Person as the Managing General Partner may select in its sole discretion. The Registered Office of the Partnership in the State of Delaware shall be c/o The Corporation Trust Company, 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801, or such other location as the Managing General Partner may select in its sole and absolute discretion.

The Managing General Partner shall promptly notify the Partners of any change in the Registered Agent or Registered Office of the Partnership.

ARTICLE III
TERM

3.1 COMMENCEMENT. The Partnership commenced business as a limited partnership on November 18, 1993 upon the filing of the Certificate with the Secretary of State of the State of Delaware.

3.2 DISSOLUTION. The Partnership shall continue until dissolved and terminated upon the earlier of (i) December 31, 2096, or (ii) the earliest to occur of the following events:

(a) the dissolution, termination, withdrawal, retirement or Bankruptcy of a General Partner unless the Partnership is continued as provided in Section 9.1 hereof;

(b) the election to dissolve the Partnership made in writing by the Managing General Partner, but only if the consent required by Section 7.3 and the consent of the Non-Managing General Partners are obtained;

(c) the sale or other disposition of all or substantially all the assets of the Partnership; or

(d) dissolution required by operation of law.

ARTICLE IV
CONTRIBUTIONS TO CAPITAL

4.1 GENERAL PARTNER CAPITAL CONTRIBUTIONS.

(a) [RESERVED]

(b) The Managing General Partner shall contribute to the capital of the Partnership, in exchange for Units as provided in Section 4.3(b) hereof, the proceeds of the sale of any Shares.

(c) All transfer, stamp or similar taxes payable upon any contribution provided for in this Section 4.1 shall be paid by the Partnership.

4.2 LIMITED PARTNER CAPITAL CONTRIBUTIONS. Except as expressly provided in Sections 4.3, 4.4, 4.5 and 4.8 below, no Partner may make, and no Partner shall have the obligation to make, additional contributions to the capital of the Partnership without the consent of the General Partners.

4.3 ADDITIONAL FUNDS.

(a) The Partnership may obtain funds ("Required Funds") which it considers necessary to meet the needs, obligations and requirements of the Partnership, or to maintain adequate working

capital or to repay Partnership indebtedness, and to carry out the Partnership's purposes, from the proceeds of Third Party Financing or Affiliate Financing, in each case pursuant to such terms, provisions and conditions and in such manner (including the engagement of brokers and/or investment bankers to assist in providing such financing) and amounts as the Managing General Partner and as the Non-Managing General Partners shall determine to be in the best interests of the Partnership, subject to the terms and conditions of this Agreement. Any and all funds required or expended, directly or indirectly, by the Partnership for capital expenditures may be obtained or replenished through Partnership borrowings. Any Third Party Financing or Affiliate Financing obtained by the General Partners for and on behalf of the Partnership may be convertible in whole or in part into Additional Units (to be issued in accordance with Section 9.4 hereof), may be unsecured, may be secured by mortgage(s) or deed(s) of trust and/or assignments on or in respect of all or any portion of the assets of the Partnership or any other security made available by the Partnership, may include or be obtained through the public or private placement of debt and/or other instruments, domestic and foreign may include provision for the option to acquire Additional Units (to be issued in accordance with Section 9.4 hereof), and may include the acquisition of or provision for interest rate swaps, credit enhancers and/or other transactions or items in respect of such Third Party Financing or Affiliate Financing; PROVIDED, HOWEVER, that in no event may the Partnership obtain any Affiliate Financing or Third Party Financing that is recourse to any Partner or any Affiliate, partner, shareholder, beneficiary, principal officer or director of any Partner without the consent of the affected Partner and any other Person or Persons to whom such recourse may be had.

(b) To the extent the Partnership does not borrow all of the Required Funds (and whether or not the Partnership is able to borrow all or part of the Required Funds), the Managing General Partner or any of the Non-Managing General Partners (or an Affiliate thereof) (i) may itself borrow such Required Funds, in which case the Managing General Partner or such Non-Managing General Partner shall lend such Required Funds to the Partnership on the same economic terms and otherwise on substantially identical terms, or (ii) may raise such Required Funds in any other manner, in which case, unless such Required Funds are raised by the Managing General Partner or any Non-Managing General Partner through the sale of Preferred Shares, the Managing General Partner or such Non-Managing General Partner shall contribute to the Partnership as an additional Capital Contribution the amount of the Required Funds so raised ("Contributed Funds") (hereinafter, each date on which the Managing General Partner or the Non-Managing General Partners so contributes Contributed Funds pursuant to this Section 4.3(b) is referred to as an "Adjustment Date"). Any Required Funds raised from the sale of Preferred Shares shall either be contributed to the Partnership as Contributed Funds or loaned to the Partnership pursuant to Section 4.3(c) below. In the event the Managing General Partner or a Non-

exceeds the property's adjusted tax basis. If there is a net decrease in Partnership Minimum Gain for a Partnership Fiscal Year, in accordance with Regulations Section 1.704-2(f) and the exceptions contained therein, the Partners shall be allocated items of Partnership income and gain for such Partnership Fiscal Year (and, if necessary, for subsequent Partnership Fiscal Years) equal to the Partners' respective shares of the net decrease in Minimum Gain within the meaning of Regulations Section 1.704-2(g)(2) (the "Minimum Gain Chargeback"). The items to be allocated pursuant to this Section 6.1(d)(1) shall be determined in accordance with Regulations Section 1.704-2(f) and (j).

(2) Any item of "Partner Nonrecourse Deduction" (as defined in Regulations Section 1.704-2(i)) with respect to a "Partner Nonrecourse Debt" (as defined in Regulations Section 1.704-2(b)(4)) shall be allocated to the Partner or Partners who bear the economic risk of loss for such Partner Nonrecourse Debt in accordance with Regulations Section 1.704-2(i)(1). If the Partnership makes a distribution allocable to the proceeds of a Partner Nonrecourse Debt, in accordance with Regulation Section 1.704-2(i)(6) the distribution will be treated as allocable to an increase in Partner Minimum Gain to the extent the increase results from encumbering Partnership property with aggregate Partner Nonrecourse Debt that exceeds the property's adjusted tax basis. Subject to Section 6.1(d)(1) hereof, but notwithstanding any other provision of this Agreement, in the event that there is a net decrease in Minimum Gain attributable to a Partner Nonrecourse Debt (such Minimum Gain being hereinafter referred to as "Partner Nonrecourse Debt Minimum Gain") for a Partnership Fiscal Year, then after taking into account allocations pursuant to Section 6.1(d)(1) hereof, but before any other allocations are made for such taxable year, and subject to the exceptions set forth in Regulations Section 1.704-2(i)(4), each Partner with a share of Partner Non-recourse Debt Minimum Gain at the beginning of such Partnership Fiscal Year shall be allocated items of income and gain for such Partnership Fiscal Year (and, if necessary, for subsequent Partnership Fiscal Years) equal to such Partner's share of the net decrease in Partner Nonrecourse Debt Minimum Gain as determined in a manner consistent with the provisions of Regulations Section 1.704-2(g)(2). The items to be allocated pursuant to this Section 6.1(d)(2) shall be determined in accordance with Regulations Section 1.704-2(i)(4) and (j).

(3) Pursuant to Regulations Section 1.752-3(a)(3), for the purpose of determining each Partner's share of excess nonrecourse liabilities of the Partnership, and solely for such purpose, each Partner's interest in Partnership profits shall be determined by any reasonable method chosen by the Managing General Partner including, without limitation, the principles set forth in Rev. Rul. 95-41, 1995-1 C.B. 132.

(4) No Limited Partner shall be allocated any item of deduction or loss of the Partnership if such allocation would cause such Limited Partner's Capital Account to become negative by

more than the sum of (i) any amount such Limited Partner is obligated to restore upon liquidation of the Partnership, plus (ii) such Limited Partner's share of the Partnership's Minimum Gain and Partner Nonrecourse Debt Minimum Gain. An item of deduction or loss that cannot be allocated to a Limited Partner pursuant to this Section 6.1(d)(4) shall be allocated to the General Partners in accordance with the number of Partnership Units held by each General Partner. For this purpose, in determining the Capital Account balance of such Limited Partner, the items described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6) shall be taken into account. In the event that (A) any Limited Partner unexpectedly receives any adjustment, allocation, or distribution described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5), or (6), and (B) such adjustment, allocation, or distribution causes or increases a deficit balance (net of amounts which such Limited Partner is obligated to restore or deemed obligated to restore under Regulations Section 1.704-2(g)(1) and 1.704-2(i)(5) and determined after taking into account any adjustments, allocations, or distributions described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5), or (6) that, as of the end of the Partnership Fiscal Year, reasonably are expected to be made to such Limited Partner) in such Limited Partner's Capital Account as of the end of the Partnership Fiscal Year to which such adjustment, allocation, or distribution relates, then items of Gross Income (consisting of a pro rata portion of each item of Gross Income) for such Partnership Fiscal Year and each subsequent Partnership Fiscal Year shall be allocated to such Limited Partner until such deficit balance or increase in such deficit balance, as the case may be, has been eliminated. In the event that this Section 6.1(d)(4) and Section 6.1(d)(1) and/or (2) hereof apply, Section 6.1(d)(1) and/or (2) hereof shall be applied prior to this Section 6.1(d)(4).

(5) The Regulatory Allocations shall be taken into account in allocating other items of income, gain, loss, and deduction among the Partners so that, to the extent possible, the cumulative net amount of allocations of Partnership items under this Section 6.1 shall be equal to the net amount that would have been allocated to each Partner if the Regulatory Allocations had not been made. This Section 6.1(d)(5) is intended to minimize to the extent possible and to the extent necessary any economic distortions which may result from application of the Regulatory Allocations and shall be interpreted in a manner consistent therewith. For purposes hereof, "Regulatory Allocations" shall mean the allocations provided under this Section 6.1(d) (other than this Section 6.1(d)(5)).

(e) In accordance with Sections 704(b) and 704(c) of the Code and the Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Partnership shall, solely for federal income tax purposes, be allocated among the Partners on a property by property basis so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and the initial Gross Asset Value of such property. If the Gross Asset Value of any Partnership property is adjusted as described in the definition of Gross Asset Value, subsequent allocations of income, gains or losses from taxable sales or other dispositions and deductions with respect to such asset shall take account of any variation between the adjusted basis of

such asset for federal income tax purposes and the Gross Asset Value of such asset in the manner prescribed under Sections 704(b) and 704(c) of the Code and the Regulations thereunder. In furtherance of the foregoing, the Partnership shall employ the method prescribed in Regulation S 1.704-3(b) (the "traditional method") or the equivalent successor provision(s) of proposed, temporary or final Regulations. The Partnership shall allocate items of income, gain, loss and deduction allocated to it by a Subsidiary Entity to the Partner or Partners contributing the interest or interests in such subsidiary Entity, so that, to the greatest extent possible and consistent with the foregoing, such contributing Partner or Partners are allocated the same amount and character of items of income, gain, loss and deduction with respect to such Subsidiary Entity that they would have been allocated had they contributed undivided interests in the assets owned by such Subsidiary Entity to the Partnership in lieu of contributing the interest or interests in the Subsidiary Entity to the Partnership.

(f) Notwithstanding anything to the contrary contained in this Section 6.1, the allocation of Profits and Losses for any Partnership Fiscal Year during which a Person acquires a Partnership Interest (other than upon formation of the Partnership) pursuant to Section 4.3(b) or otherwise, shall take into account the Partners' varying interests for such Partnership Fiscal Year pursuant to any method permissible under Section 706 of the Code that is selected by the Managing General Partner (notwithstanding any agreement between the assignor and assignee of such Partnership Interest although the Managing General Partner may recognize any such agreement), which method may take into account the date on which the Transfer or an agreement to Transfer becomes irrevocable pursuant to its terms, as determined by the Managing General Partner; provided, that the allocation of Profits and Losses with respect to a Partnership Unit acquired during a fiscal quarter of the Partnership shall be appropriately adjusted in accordance with Section 6.2(c)(ii) below.

(g) If any portion of gain from the sale of property is treated as gain which is ordinary income by virtue of the application of Code Sections 1245 or 1250 ("Affected Gain"), then (A) such Affected Gain shall be allocated among the Partners in the same proportion that the depreciation and amortization deductions giving rise to the Affected Gain were allocated and (B) other tax items of gain of the same character that would have been recognized, but for the application of Code Sections 1245 and/or 1250, shall be allocated away from those Partners who are allocated Affected Gain pursuant to clause (A) so that, to the extent possible, the other Partners are allocated the same amount,

and type, of capital gain that would have been allocated to them had Code Sections 1245 and/or 1250 not applied. For purposes hereof, in order to determine the proportionate allocations of depreciation and amortization deductions for each Fiscal Year or other applicable period, such deductions shall be deemed allocated on the same basis as Profits or Losses for such respective period.

(h) The Profits, Losses, gains, deductions and credits of the Partnership (and all items thereof) for each Partnership Fiscal Year shall be determined in accordance with the accounting method followed by the Partnership for federal income tax purposes.

(i) Except as provided in Sections 6.1(e) and 6.1(g) hereof, for federal income tax purposes, each item of income, gain, loss, or deduction shall be allocated among the Partners in the same manner as its correlative item of "book" income, gain, loss or deduction has been allocated pursuant to this Section 6.1.

(j) To the extent permitted by Regulations Sections 1.704-2(h)(3) and 1.704-2(i)(6), the Managing General Partner shall endeavor to treat distributions as having been made from the proceeds of Nonrecourse Liabilities or Partner Nonrecourse Debt only to the extent that such distributions would cause or increase a deficit balance in any Partner's Capital Account that exceeds the amount such Partner is otherwise obligated to restore (within the meaning of Regulations Section 1.704-1(b)(2)(ii)(c)) as of the end of the Partnership's taxable year in which the distribution occurs.

(k) If any Partner sells or otherwise disposes of any property, directly or indirectly, to the Partnership, and as a result thereof, gain on a subsequent disposition of such property by the Partnership is reduced pursuant to Section 267(d) of the Code, then, to the extent permitted by applicable law, gain for federal income tax purposes attributable to such subsequent disposition shall first be allocated among the Partners other than the selling Partner in an amount equal to such Partners' allocations of "book" gain on the property pursuant to this Section 6.1, and any remaining gain for federal income tax purposes shall be allocated to the selling Partner.

6.2 DISTRIBUTIONS. (a) Except with respect to the liquidation of the Partnership and subject to the priority set forth in Sections 6.2(b) and (c) and in any Preferred Unit Designation, the Managing General Partner shall cause the Partnership to distribute all or a portion of Net Operating Cash Flow to the Partners who are such on the relevant Partnership Record Date from time to time as determined by the Managing General Partner, but in any event not less frequently than quarterly, in such amounts as the Managing General Partner shall determine in its sole discretion; PROVIDED, HOWEVER, that, except as provided in Sections 6.2(b) and (c) below and in any Preferred Unit Designation, all such distributions shall be made PRO RATA in

accordance with the outstanding Partnership Units on the relevant Partnership Record Date. In no event may a Limited Partner receive a distribution of Net Operating Cash Flow with respect to a Partnership Unit that such Partner has exchanged on or prior to the relevant Partnership Record Date for a Share, pursuant to the Rights granted under Section 11.1 (a "Post-Exchange Distribution"); rather, all such Post-Exchange Distributions shall be distributed to the Managing General Partner.

(b) Except to the extent Net Operating Cash Flow is distributed pursuant to Section 6.2(c), and except with respect to the liquidation of the Partnership, distributions of Net Operating Cash Flow shall be made in the following order of priority unless otherwise specified in the Preferred Unit Designations, in which case the provisions of the Preferred Unit Designations shall control;

(i) First, to the extent that the amount of Net Operating Cash Flow distributed to the holders of any class or series of Preferred Units for any prior quarter was less than the Preferred Distribution Requirement for such class or series for such quarter, and has not been subsequently distributed pursuant to this Section 6.2(b)(i) or otherwise in accordance with the related Preferred Unit Designation (a "Preferred Distribution Shortfall"), Net Operating Cash Flow shall be distributed to the holders of Preferred Units (in accordance with their respective priority as set forth in the Preferred Unit Designations) in an amount necessary to satisfy such Preferred Distribution Shortfall for each such class or series for the current and all prior Partnership Fiscal Years. In the event that the Net Operating Cash Flow distributed for a particular quarter is less than the Preferred Distribution Shortfall for all classes or series of Preferred Units, then all Net Operating Cash Flow for the current quarter shall be distributed to the holders of Preferred Units in accordance with their respective priority as set forth in the Preferred Unit Designations.

(ii) Second, Net Operating Cash Flow shall be distributed to the holders of Preferred Units in an amount equal to the Preferred Distribution Requirement for the then current quarter for each outstanding Preferred Unit. In the event that the amount of Net Operating Cash Flow distributed for a particular quarter pursuant to this subparagraph (b)(ii) is less than the Preferred Distribution Requirement for such quarter, then all such Net Operating Cash Flow for such quarter shall be distributed to the holders of Preferred Units in accordance with their respective priority as set forth in the Preferred Unit Designations.

(iii) The balance of the Net Operating Cash Flow to be distributed, if any, shall be distributed to holders of Partnership Units, in proportion to their ownership of Partnership Units.

(c) (i) If in any quarter the Partnership redeems any outstanding GP Preferred Units, unless and except to the extent that such redemption is effected out of borrowed funds, Capital Contributions or other sources, Net Operating Cash Flow shall be distributed to the Managing General Partner in an amount equal to the applicable GP Preferred Redemption Amount for the GP Preferred Units being redeemed before being distributed pursuant to Section 6.2(b).

(ii) Notwithstanding anything to the contrary contained in this Section 6.2, unless expressly waived in writing by the Managing General Partner, the distribution of Net Operating Cash Flow with respect to a Partnership Unit acquired during a fiscal quarter of the Partnership shall be an amount equal to the product of (i) the amount of Net Operating Cash Flow otherwise distributable to a Partnership Unit held during such fiscal quarter and (ii) (a) the number of days remaining in such fiscal quarter, determined as of the date such Partnership Unit was acquired, divided by (b) the total number of days in such fiscal quarter.

(d) Notwithstanding the provision of the first sentence of Section 6.2(a), (i) the Managing General Partner shall use its best efforts to cause the Partnership to distribute sufficient amounts, in accordance with Section 6.2(a) above, to enable the Managing General Partner and the Non-Managing General Partners to pay shareholder dividends that will (A) satisfy the REIT Requirements, and (B) avoid any federal income or excise tax liability of the Managing General Partner or any of the Non-Managing General Partners; and (ii) in the event of a Covered Sale which occurs on a date on or after August 9, 1996, and before but not including August 9, 2001, and which gives rise to a special allocation of taxable income or gain to one or more Limited Partners pursuant to Section 6.1(e), (A) the Managing General Partner shall cause the Partnership to distribute to all of the Partners, PRO RATA in accordance with ownership of Partnership Units, the Net Sale Proceeds therefrom up to an amount sufficient to enable each such Limited Partner, from the share of such distribution made to it, to pay in full any income tax liability, computed at the maximum applicable federal and state statutory rates, with respect to the income or gain so specially allocated and on the distribution required by this Section 6.2(d) (or, if any such Limited Partner is a partnership or Subchapter S corporation, to enable such Limited Partner to distribute sufficient amounts to its equity owners to enable such owners to pay in full any income tax liability, computed at the maximum applicable federal and state statutory rates, with respect to their share of such taxable income or gain and such distributions) and (B) if the amounts distributed to each such Limited Partner in accordance with the preceding clause (A) are insufficient to enable it to pay in full such income tax liabilities, the Managing General Partner shall cause the Partnership to distribute sufficient funds from other sources to all of the Partners, PRO RATA in accordance with ownership of Partnership Units, in an

amount sufficient to enable each such Limited Partner to pay in full such income tax liabilities and any income tax liabilities of such Limited Partner(s) with respect to such additional distribution. As used in this Section 6.2, the term "Covered Sale" means a sale or other taxable disposition of any Property described on Exhibit C.

6.3 BOOKS OF ACCOUNT; SEGREGATION OF FUNDS

(a) At all times during the continuance of the Partnership, the Managing General Partner shall maintain or cause to be maintained full, true, complete and correct books of account in accordance with GAAP wherein shall be entered particulars of all monies, goods or effects belonging to or owing to or by the Partnership, or paid, received, sold or purchased in the course of the Partnership's business, and all of such other transactions, matters and things relating to the business of the Partnership as are usually entered in books of account kept by Persons engaged in a business of a like kind and character. In addition, the Partnership shall keep all records as required to be kept pursuant to the Act. The books and records of account shall be kept at the principal office of the Partnership, and each Partner and its representatives shall at all reasonable times have access to such books and records and the right to inspect and copy the same.

(b) The Partnership shall not commingle its funds with those of any other Person or Entity; funds and other assets of the Partnership shall be separately identified and segregated; all of the Partnership's assets shall at all times be held by or on behalf of the Partnership and, if held on behalf of the Partnership by another Entity, shall at all times be kept identifiable (in accordance with customary usages) as assets owned by the Partnership; and the Partnership shall maintain its own separate bank accounts, payroll and books of account. The foregoing provisions of this Section 6.3(b) shall not apply with respect to funds or assets of any Subsidiary Entities of the Partnership.

6.4 REPORTS. Within ninety (90) days after the end of each Partnership Fiscal Year, the Partnership shall cause to be prepared and transmitted to each Partner an annual report of the Partnership relating to the previous Partnership Fiscal Year containing a balance sheet as of the year then ended, a statement of financial condition as of the year then ended, and statements of operations, cash flow and Partnership equity for the year then ended, which annual statements shall be prepared in accordance with GAAP and shall be audited by the Accountants. The Partnership shall also cause to be prepared and transmitted to each Partner within forty-five (45) days after the end of each of the first three (3) quarters of each Partnership Fiscal Year a quarterly unaudited report containing a balance sheet, a statement of the Partnership's financial condition and statements of operations, cash flow and Partnership equity, in each case relating to the fiscal quarter then just ended, and prepared in accordance with GAAP. The Partnership shall further cause to be

prepared and transmitted to the Managing General Partner and the Non-Managing General Partners (i) such reports and/or information as are necessary for each to fulfill its obligations under the Securities Act of 1933, the Securities and Exchange Act of 1934 and the applicable stock exchange rules, and under any other regulations to which such Partners or the Partnership may be subject, and (ii) such other reports and/or information as are necessary for each of the Managing General Partner and the Non-Managing General Partners to determine and maintain its qualification as a REIT under the REIT Requirements, its earnings and profits derived from the Partnership, its liability for a tax as a consequence of its Partnership Interest and distributive share of taxable income or loss and items thereof, in each case in a manner that will permit the Managing General Partner and the Non-Managing General Partners to comply with their respective obligations to file federal, state and local tax returns and information returns and to provide their shareholders with tax information. The Managing General Partner shall provide to each Partner copies of all reports it provides to its stockholders at the same time such reports are distributed to such stockholders. The Managing General Partner shall also promptly notify the Partners of all actions taken by the Managing General Partner for which it has obtained the Consent of the Limited Partners.

6.5 AUDITS. Not less frequently than annually, the books and records of the Partnership shall be audited by the Accountants.

6.6 TAX RETURNS.

(a) Consistent with all other provisions of this Agreement, the Managing General Partner shall determine the methods to be used in the preparation of federal, state, and local income and other tax returns for the Partnership in connection with all items of income and expense, including, but not limited to, valuation of assets, the methods of Depreciation and cost recovery, credits and tax accounting methods and procedures and, with the consent of the Non-Managing General Partners, all tax elections.

(b) The Managing General Partner shall, at least 30 days prior to the due dates (as extended) for such returns, but in no event later than July 15 of each year, cause the Accountants to prepare and submit to the DeBartolo Designee, the Simon Designee and the JCP Limited Partner for their review, drafts of all federal and state income tax returns of the Partnership for the preceding year, and the Managing General Partner shall consult in good faith with the DeBartolo Designee, the Simon Designee and the JCP Limited Partner regarding any proposed modifications to such tax returns of the Partnership.

(c) The Partnership shall timely cause to be prepared and transmitted to the Partners federal and appropriate state and local Partnership Income Tax Schedules "K-1" or any substitute

therefor, with respect to each Partnership Fiscal Year on appropriate forms prescribed. The Partnership shall make reasonable efforts to prepare and submit such forms before the due date for filing federal income tax returns for the fiscal year in question (determined without extensions), and shall in any event prepare and submit such forms on or before July 15 of the year following the fiscal year in question.

6.7 TAX MATTERS PARTNER

The Managing General Partner is hereby designated as the Tax Matters Partner within the meaning of Section 6231(a)(7) of the Code for the Partnership; PROVIDED, HOWEVER, that (i) in exercising its authority as Tax Matters Partner it shall be limited by the provisions of this Agreement affecting tax aspects of the Partnership; (ii) the Managing General Partner shall give prompt notice to the Partners of the receipt of any written notice that the Internal Revenue Service or any state or local taxing authority intends to examine Partnership income tax returns for any year, receipt of written notice of the beginning of an administrative proceeding at the Partnership level relating to the Partnership under Section 6223 of the Code, receipt of written notice of the final Partnership administrative adjustment relating to the Partnership pursuant to Section 6223 of the Code, and receipt of any request from the Internal Revenue Service for waiver of any applicable statute of limitations with respect to the filing of any tax return by the Partnership; (iii) the Managing General Partner shall promptly notify the Partners if it does not intend to file for judicial review with respect to the Partnership; and (iv) as Tax Matters Partner, the Managing General Partner shall not be entitled to bind a Partner by any settlement agreement (within the meaning of Section 6224 of the Code) unless such Partner consents thereto in writing and shall notify the Partners in a manner and at such time as is sufficient to allow the Partners to exercise their rights pursuant to Section 6224(c)(3) of the Code; (v) the Managing General Partner shall consult in good faith with the Simon Designee, the DeBartolo Designee and the JCP Limited Partner regarding the filing of a Code Section 6227(b) administrative adjustment request with respect to the Partnership or a Property before filing such request, it being understood, however, that the provisions hereof shall not be construed to limit the ability of any Partner, including the Managing General Partner, to file an administrative adjustment request on its own behalf pursuant to Section 6227(a) of the Code; and (vi) the Managing General Partner shall consult in good faith with the Simon Designee, the DeBartolo Designee and the JCP Limited Partner regarding the filing of a petition for judicial review of an administrative adjustment request under Section 6228 of the Code, or a petition for judicial review of a final partnership administrative judgment under Section 6226 of the Code relating to the Partnership before filing such petition.

6.8 WITHHOLDING. Each Partner hereby authorizes the Partnership to withhold or pay on behalf of or with respect to such Partner any amount of federal, state, local or foreign taxes

that the Managing General Partner determines the Partnership is required to withhold or pay with respect to any amount distributable or allocable to such Partner pursuant to this Agreement, including, without limitation, any taxes required to be withheld or paid by the Partnership pursuant to Code Sections 1441, 1442, 1445, or 1446. Any amount paid on behalf of or with respect to a Partner shall constitute a loan by the Partnership to such Partner, which loan shall be due within fifteen (15) days after repayment is demanded of the Partner in question, and shall be repaid through withholding of subsequent distributions to such Partner. Nothing in this Section 6.8 shall create any obligation on the Managing General Partner to advance funds to the Partnership or to borrow funds from Third Parties in order to make payments on account of any liability of the Partnership under a withholding tax act. Any amounts payable by a Limited Partner hereunder shall bear interest at the lesser of (i) the base rate on corporate loans at large United States money center commercial banks, as published from time to time in THE WALL STREET JOURNAL, or (ii) the maximum lawful rate of interest on such obligation, such interest to accrue from the date such amount is due (i.e., fifteen (15) days after demand) until such amount is paid in full. To the extent the payment or accrual of withholding tax results in a federal, state or local tax credit to the Partnership, such credit shall be allocated to the Partner to whose distribution the tax is attributable.

ARTICLE VII

RIGHTS, DUTIES AND RESTRICTIONS OF THE GENERAL PARTNERS

7.1 EXPENDITURES BY PARTNERSHIP. The Managing General Partner is hereby authorized to pay compensation for accounting, administrative, legal, technical, management and other services rendered to the Partnership. All of the aforesaid expenditures shall be made on behalf of the Partnership and the Managing General Partner shall be entitled to reimbursement by the Partnership for any expenditures incurred by it on behalf of the Partnership which shall have been made other than out of the funds of the Partnership. The Partnership shall also assume, and pay when due, the Administrative Expenses and such portion of the Managing General Partners', the Non-Managing General Partners' and their respective subsidiaries' REIT Expenses as shall be appropriately allocated to the Partnership by the Managing General Partner in the exercise of its reasonable business judgment.

7.2 POWERS AND DUTIES OF THE GENERAL PARTNERS. The Managing General Partner shall be responsible for the management of the Partnership's business and affairs. Except as otherwise herein expressly provided, and subject to the limitations contained in Section 7.3 hereof with respect to Major Decisions, the Managing General Partner shall have, and is hereby granted, full and complete power, authority and discretion to take such action for and on behalf of the Partnership and in its name as the Managing General Partner shall, in its sole and absolute discretion, deem necessary or appropriate to carry out the

purposes for which the Partnership was organized. Any action by the Managing General Partner relating to (i) transactions between the Partnership or a Subsidiary Entity and M.S. Management Associates, Inc., Simon MOA Management Company, Inc. and/or M.S. Management Associates (Indiana), Inc., (ii) transactions between the Partnership or a Subsidiary Entity and DeBartolo Properties Management, Inc. or (iii) transactions involving the Partnership or a Subsidiary Entity in which the Simons, the DeBartolos or any Affiliate of the Simons or the DeBartolos has an interest (other than a non-controlling minority equity interest, which has no management or veto powers, in a Person, other than the Partnership or a Subsidiary entity, which is engaged in such transaction) other than through ownership of Partnership Units, shall require the prior approval of a majority of the Independent Directors. Except as otherwise expressly provided herein and subject to Section 7.3 hereof, the Managing General Partner shall have, for and on behalf of the Partnership, the right, power and authority:

(a) To manage, control, hold, invest, lend, reinvest, acquire by purchase, lease, sell, contract to purchase or sell, grant, obtain, or exercise options to purchase, options to sell or conversion rights, assign, transfer, convey, deliver, endorse, exchange, pledge, mortgage or otherwise encumber, abandon, improve, repair, construct, maintain, operate, insure, lease for any term and otherwise deal with any and all property of whatsoever kind and nature, and wheresoever situated, in furtherance of the purposes of the Partnership, and in addition, without limiting the foregoing, upon the affirmative vote of no fewer than three (3) of the Independent Directors of the Managing General Partner who are not Affiliates of the DeBartolos, the Managing General Partner shall authorize and require the sale of any property owned by the Partnership or a Subsidiary Entity.

(b) To acquire, directly or indirectly, interests in real or personal property (collectively, "property") of any kind and of any type, and any and all kinds of interests therein, and to determine the manner in which title thereto is to be held; to manage, insure against loss, protect and subdivide any property, interests therein or parts thereof; to improve, develop or redevelop any property; to participate in the ownership and development of any property; to dedicate for public use, to vacate any subdivisions or parts thereof, to resubdivide, to contract to sell, to grant options to purchase or lease and to sell on any terms; to convey, to mortgage, pledge or otherwise encumber any property, or any part thereof; to lease any property or any part thereof from time to time, upon any terms and for any period of time, and to renew or extend leases, to amend, change or modify the terms and provisions of any leases and to grant options to lease and options to renew leases and options to purchase; to partition or to exchange any property, or any part thereof, for other property; to grant easements or charges of any kind; to release, convey or assign any right, title or interest in or about or easement appurtenant to any property or any part thereof; to construct and reconstruct, remodel, alter, repair, add to or take

from buildings on any property; to insure any Person having an interest in or responsibility for the care, management or repair of any property; to direct the trustee of any land trust to mortgage, lease, convey or contract to convey any property held in such land trust or to execute and deliver deeds, mortgages, notes and any and all documents pertaining to the property subject to such land trust or in any matter regarding such trust; and to execute assignments of all or any part of the beneficial interest in such land trust;

(c) To employ, engage or contract with or dismiss from employment or engagement Persons to the extent deemed necessary by the Managing General Partner for the operation and management of the Partnership business, including but not limited to, employees, contractors, subcontractors, engineers, architects, surveyors, mechanics, consultants, accountants, attorneys, insurance brokers, real estate brokers and others;

(d) To enter into contracts on behalf of the Partnership;

(e) To borrow or lend money, procure loans and advances from any Person for Partnership purposes, and to apply for and secure from any Person credit or accommodations; to contract liabilities and obligations, direct or contingent and of every kind and nature with or without security; and to repay, discharge, settle, adjust, compromise or liquidate any such loan, advance, credit, obligation or liability (including by deeding property to a lender in lieu of foreclosure);

(f) To Pledge, hypothecate, mortgage, assign, deposit, deliver, enter into sale and leaseback arrangements or otherwise give as security or as additional or substitute security or for sale or other disposition any and all Partnership property, tangible or intangible, including, but not limited to, real estate and beneficial interests in land trusts, and to make substitutions thereof, and to receive any proceeds thereof upon the release or surrender thereof; to sign, execute and deliver any and all assignments, deeds and other contracts and instruments in writing; to authorize, give, make, procure, accept and receive moneys, payments, property, notices, demands, vouchers, receipts, releases, compromises and adjustments; to waive notices, demands, protests and authorize and execute waivers of every kind and nature; to enter into, make, execute, deliver and receive written agreements, undertakings and instruments of every kind and nature; to give oral instructions and make oral agreements; and generally to do any and all other acts and things incidental to any of the foregoing or with reference to any dealings or transactions which any attorney for the Partnership may deem necessary, proper or advisable;

(g) To acquire and enter into any contract of insurance which the Managing General Partner deems necessary or appropriate for the protection of the Partnership or any Affiliate thereof,

for the conservation of the Partnership's assets (or the assets of any Affiliate thereof) or for any purpose convenient or beneficial to the Partnership or any Affiliate thereof;

(h) To conduct any and all banking transactions on behalf of the Partnership; to adjust and settle checking, savings and other accounts with such institutions as the Managing General Partner shall deem appropriate; to draw, sign, execute, accept, endorse, guarantee, deliver, receive and pay any checks, drafts, bills of exchange, acceptances, notes, obligations, undertakings and other instruments for or relating to the payment of money in, into or from any account in the Partnership's name; to execute, procure, consent to and authorize extensions and renewals of the same; to make deposits and withdraw the same and to negotiate or discount commercial paper, acceptances, negotiable instruments, bills of exchange and dollar drafts;

(i) To demand, sue for, receive, and otherwise take steps to collect or recover all debts, rents, proceeds, interests, dividends, goods, chattels, income from property, damages and all other property to which the Partnership may be entitled or which are or may become due the Partnership from any Person; to commence, prosecute or enforce, or to defend, answer or oppose, contest and abandon all legal proceedings in which the Partnership is or may hereafter be interested; and to settle, compromise or submit to arbitration any accounts, debts, claims, disputes and matters which may arise between the Partnership and any other Person and to grant an extension of time for the payment or satisfaction thereof on any terms, with or without security;

(j) To make arrangements for financing, including the taking of all action deemed necessary or appropriate by the Managing General Partner to cause any approved loans to be closed;

(k) To take all reasonable measures necessary to insure compliance by the Partnership with contractual obligations and other arrangements entered into by the Partnership from time to time in accordance with the provisions of this Agreement, including periodic reports as required to lenders and using all due diligence to insure that the Partnership is in compliance with its contractual obligations;

(l) To maintain the Partnership's books and records;

(m) To create or maintain Affiliates engaged in activities that the Partnership could itself undertake; and

(n) To prepare and deliver, or cause to be prepared and delivered by the Accountants, all financial and other reports with respect to the operations of the Partnership, and preparation and filing of all federal, state and local tax returns and reports.

Except as otherwise provided herein, to the extent the duties of the Managing General Partner require expenditures of

funds to be paid to Third Parties, the Managing General Partner shall not have any obligations hereunder except to the extent that Partnership funds are reasonably available to it for the performance of such duties, and nothing herein contained shall be deemed to authorize or require the Managing General Partner, in its capacity as such, to expend its individual funds for payment to Third Parties or to undertake any individual liability or obligation on behalf of the Partnership.

Notwithstanding any other provisions of this Agreement or the Act, any action of the Managing General Partner on behalf of the Partnership or any decision of the Managing General Partner to refrain from acting on behalf of the Partnership, undertaken in the good faith belief that such action or omission is necessary or advisable in order (i) to protect or further the ability of the Managing General Partner, the Non-Managing General Partners and their respective Subsidiary Entities, as applicable, to continue to qualify as REITs or (ii) to avoid the Managing General Partner's or the Non-Managing General Partners' incurring any taxes under Section 857 or Section 4981 of the Code, is expressly authorized under this Agreement and is deemed approved by all of the Limited Partners. Nothing, however, in this Agreement shall be deemed to give rise to any liability on the part of a Limited Partner for the Managing General Partner's, the Non-Managing General Partner's or any of their applicable Subsidiary Entity's failure to qualify or continue to qualify as a REIT or a failure to avoid incurring any taxes under the foregoing sections of the Code, unless such failure or failures result from an act of the Limited Partner which constitutes a breach of this Agreement (including, without limitation, Section 10.4(b)).

7.3 MAJOR DECISIONS.

(a) The Managing General Partner shall not, without the Consent of the Limited Partners, and the consent of the Non-Managing General Partners, (y) on behalf of the Partnership, amend, modify or terminate this Agreement other than to reflect (A) the admission of Additional Limited Partners pursuant to Section 9.4 hereof, (B) the making of additional Capital Contributions and the issuance of additional Partnership Units by reason thereof, all in accordance with the terms of this Agreement, (C) the withdrawal or assignment of the interest of any Partner in accordance with the terms of this Agreement, or (D) any changes necessary to satisfy the REIT Requirements, or (z) permit the Partnership, on behalf of any Subsidiary Partnership, to amend, modify or terminate the organizing agreement pursuant to which such Subsidiary Partnership operates other than to reflect (A) the admission of additional limited partners therein pursuant to the terms thereof, (B) the making of additional capital contributions thereto pursuant to the terms thereof, (C) the withdrawal or assignment of the interest of any partner thereof pursuant to the terms thereof, or (D) any changes necessary to satisfy the REIT Requirements. Notwithstanding the foregoing, this Agreement shall not be modified or amended without the prior written consent of each Partner adversely affected if such

modification or acquisition would (i) convert a Limited Partner's interest in the Partnership to a general partnership interest, (ii) modify the limited liability of a Limited Partner, (iii) reduce the interest of any Partner in the Partnership, (iv) reduce any Partner's share of distributions made by the Partnership, (v) amend this Section 7.3 or Section 7.5 or (vi) create any obligations for any Limited Partner or deprive any Limited Partner of (or otherwise impair) any other rights it may have under this Agreement (including in respect of tax allocations, rights to indemnification under Section 7.8, rights of the Limited Partner or a Secured Creditor of a Limited Partner under Section 9.3 (which rights are subject to the restrictions set forth in Section 9.5), rights of a Limited Partner under Section 9.6 or Article XI, or the rights of a Limited Partner under Section 10.4(a) or 10.5); PROVIDED, HOWEVER, that an amendment that reduces the percentage ownership interest of any Partner in the Partnership or reduces any Partner's share of distributions made by the Partnership (including tax allocations in respect of such distributions) shall not require the consent of any Partner if such change is made on a uniform or pro-rata basis with respect to all Partners.

(b) The Managing General Partner shall not, without the consent of the Non-Managing General Partners, and for all periods during which the Simons hold at least ten percent of the Partnership Units then outstanding, the Managing General Partner shall not, without the prior Consent of the Simons, and for all periods during which the DeBartolos hold at least ten percent of the Partnership Units then outstanding, the Managing General Partner shall not, without the prior Consent of the DeBartolos, on behalf of the Partnership, undertake any of the following actions (together with any act described in paragraph (a) hereof, the "Major Decisions"):

(i) Make a general assignment for the benefit of creditors (or cause or permit (if permission of the Partnership or any Subsidiary Partnership is required) such an assignment to be made on behalf of a Subsidiary Partnership) or appoint or acquiesce in the appointment of a custodian, receiver or trustee for all or any part of the assets of the Partnership (or any Subsidiary Partnership);

(ii) take title to any personal or real property, other than in the name of the Partnership or a Subsidiary Entity or pursuant to Section 7.7 hereof;

(iii) institute any proceeding for Bankruptcy on behalf of the Partnership, or cause or permit (if permission of the Partnership or any Subsidiary Partnership is required) the institution of any such proceeding on behalf of any Subsidiary Partnership;

(iv) act or cause the taking or refraining of any action with respect to the dissolution and winding up of the Partnership (or any Subsidiary Partnership) or an election to continue the

Partnership (or any Subsidiary Partnership) or to continue the business of the Partnership (or any Subsidiary Partnership); or

(v) sell, exchange, Transfer or otherwise dispose of all or substantially all of the Partnership's assets.

(c) The Managing General Partner shall not, without the prior Consent of the Limited Partners,

(i) after the Effective Time, amend the Charter of the Managing General Partner to increase or decrease the Ownership Limit or alter any other provision of said Charter or of any of the definitions of defined terms contained in such Charter which would have the effect of changing the Ownership Limit in any way;

(ii) except in connection with the dissolution and winding-up of the Partnership by the Liquidation Agent, agree to or consummate the merger or consolidation of the Partnership or the voluntary sale or other Transfer of all or substantially all of the Partnership's assets in a single transaction or related series of transactions (without limiting the transactions which will not be deemed to be a voluntary sale or Transfer, the foreclosure of a mortgage lien on any Property or the grant by the Partnership of a deed in lieu of foreclosure for such Property shall not be deemed to be such a voluntary sale or other Transfer); or

(iii) dissolve the Partnership; or

(iv) issue additional shares of common stock of the Non-Managing General Partners other than to any of the General Partners or as may be necessary or desirable in order for the General Partners to comply with REIT Requirements.

Without the consent of all the Limited Partners, the General Partners shall have no power to do any act in contravention of this Agreement or applicable law.

7.4 MANAGING GENERAL PARTNER AND NON-MANAGING GENERAL PARTNERS PARTICIPATION. The Managing General Partner and the Non-Managing General Partners agree that (a) substantially all activities and business operations of the Managing General Partner and the Non-Managing General Partners, including but not limited to, activities pertaining to the acquisition, development, redevelopment and ownership of properties, shall be conducted directly or indirectly through the Partnership or any Subsidiary Partnership, (b) except for a property acquisition authorized by the Managing General Partner with the Consent of the Limited Partners, all property acquisitions shall henceforth be made through the Partnership or any Subsidiary Partnership, and (c) except as provided below any funds raised by the Managing General Partner or the Non-Managing General Partners, whether by issuance of stock, borrowing or otherwise, will be made available to the Partnership whether as capital contributions, loans or otherwise,

as appropriate. Notwithstanding the provisions of the preceding sentence, each of the Managing General Partner and the Non-Managing General Partners shall have the right to form Qualified REIT subsidiaries to act as general partners of Subsidiary Partnerships of the Partnership. The Managing General Partner and the Non Managing General Partner agree to conduct their respective affairs, to the extent they are so able to do, in a manner which will preserve the equivalence in value between a Share and a Partnership Unit.

7.5 PROSCRIPTIONS. The Managing General Partner shall not have the authority to:

(a) Do any act in contravention of this Agreement;

(b) Possess any Partnership property or assign rights in specific Partnership property for other than Partnership purposes; or.

(c) Do any act in contravention of applicable law.

Nothing herein contained shall impose any obligation on any Person doing business with the Partnership to inquire as to whether or not the Managing General Partner has properly exercised its authority in executing any contract, lease, mortgage, deed or any other instrument or document on behalf of the Partnership, and any such Person shall be fully protected in relying upon such authority.

7.6 ADDITIONAL PARTNERS. Additional Partners may be admitted to the Partnership only as provided in Section 9.4 hereof.

7.7 TITLE HOLDER. To the extent allowable under applicable law, title to all or any part of the Properties of the Partnership may be held in the name of the Partnership or any other individual, corporation, partnership, trust or otherwise, the beneficial interest in which shall at all times be vested in the Partnership. Any such title holder shall perform any and all of its respective functions to the extent and upon such terms and conditions as may be determined from time to time by the Managing General Partner.

7.8 WAIVER AND INDEMNIFICATION. Neither the Managing General Partner, the Non-Managing General Partners nor any of their Affiliates, directors, trust managers, officers, shareholders, nor any Person acting on their behalf pursuant hereto, shall be liable, responsible or accountable in damages or otherwise to the Partnership or to any Partner for any acts or omissions performed or omitted to be performed by them within the scope of the authority conferred upon the Managing General Partner or the Non-Managing General Partners by this Agreement and the Act, provided that the Managing General Partner's, the Non-Managing General Partners' or such other Person's conduct or omission to act was taken in good faith and in the belief that

such conduct or omission was in the best interests of the Partnership and, provided further, that the Managing General Partner, the Non-Managing General Partners or such other Person shall not be guilty of fraud, willful misconduct or gross negligence. The Managing General Partner acknowledges that it owes fiduciary duties both to its shareholders and to the Limited Partners and it shall use its reasonable efforts to discharge such duties to each; PROVIDED, HOWEVER, that in the event of a conflict between the interests of the shareholders of the Managing General Partner and the interests of the Limited Partners, the Limited Partners agree that the Managing General Partner shall discharge its fiduciary duties to the Limited Partners by acting in the best interests of the Managing General Partner's shareholders. Nothing contained in the preceding sentence shall be construed as entitling either the Managing General Partner or the Non-Managing General Partners to realize any profit or gain from any transaction between such Partner and the Partnership (except as may be required by law upon a distribution to the Managing General Partner or the Non-Managing General Partners), including from the lending of money by the Managing General Partner or the Non-Managing General Partners to the Partnership or the contribution of property by the Managing General Partner or the Non-Managing General Partners to the Partnership, it being understood that in any such transaction the Managing General Partner or the Non-Managing General Partners, as the case may be, shall be entitled to cost recovery only. The Partnership shall, and hereby does, indemnify and hold harmless each of the Managing General Partner and the Non-Managing General Partners and its Affiliates, their respective directors, officers, shareholders and any other individual acting on its or their behalf to the extent such Persons would be indemnified by the Managing General Partner pursuant to the Charter of the Managing General Partner if such persons were directors, officers, agents or employees of the Managing General Partner (or the Charter of SDG or the Amended and Restated Regulations of SD Property, if such Persons were directors, officers, agents or employees of the Non-Managing General Partners); PROVIDED, HOWEVER, that no Partner shall have any personal liability with respect to the foregoing indemnification, any such indemnification to be satisfied solely out of the assets of the Partnership. The Partnership shall, and hereby does, indemnify each Limited Partner and its Affiliates, their respective directors, officers, shareholders and any other individual acting on its or their behalf, from and against any costs (including costs of defense) incurred by it as a result of any litigation or other proceeding in which any Limited Partner is named as a defendant or any claim threatened or asserted against any Limited Partner, in either case which relates to the operations of the Partnership or any obligation assumed by the Partnership, unless such costs are the result of misconduct on the part of, or a breach of this Agreement by, such Limited Partner; PROVIDED, HOWEVER, no Partner shall have any personal liability with respect to the foregoing indemnification, any such indemnification to be satisfied solely out of the assets of the Partnership.

7.9 LIMITATION OF LIABILITY OF DIRECTORS SHAREHOLDERS AND OFFICERS OF THE MANAGING GENERAL PARTNER AND THE NON-MANAGING GENERAL PARTNERS. Any obligation or liability whatsoever of the General Partners which may arise at any time under this Agreement or any other instrument, transaction, or undertaking contemplated hereby shall be satisfied, if at all, out of the assets of the General Partners or the Partnership only. No such obligation or liability shall be personally binding upon, nor shall resort for the enforcement thereof be had to, any of the General Partners' directors, shareholders, officers, employees, or agents, regardless of whether such obligation or liability is in the nature of contract, tort or otherwise.

7.10 DISTRIBUTION TO LIMITED PARTNERS OF THE SRC PARTNERSHIP. Pursuant to the terms of the Agreement of Limited Partnership of the SRC Partnership, the Partnership will contribute assets to the SRC Partnership, become a limited partner of the SRC Partnership and receive SRC Partnership Units, which the Partnership will, in turn, distribute PRO RATA to all Limited Partners other than any General Partner who also holds SRC Partnership Units, whereupon the Limited Partners shall become limited partners of the SRC Partnership.

ARTICLE VIII

DISSOLUTION, LIQUIDATION AND WINDING-UP

8.1 ACCOUNTING. In the event of the dissolution, liquidation and winding-up of the Partnership, a proper accounting (which shall be certified by the Accountants) shall be made of the Capital Account of each Partner and of the Profits or Losses of the Partnership from the date of the last previous accounting to the date of dissolution. Financial statements presenting such accounting shall include a report of the Accountants.

8.2 DISTRIBUTION ON DISSOLUTION. In the event of the dissolution and liquidation of the Partnership for any reason, the assets of the Partnership shall be liquidated for distribution in the following rank and order:

(a) Payment of creditors of the Partnership (other than Partners) in the order of priority as provided by law;

(b) Establishment of reserves as determined by the Managing General Partner to provide for contingent liabilities, if any;

(c) Payment of debts of the Partnership to Partners, if any, in the order of priority provided by law;

(d) To the Partners in accordance with the positive balances in their Capital Accounts after giving effect to all contributions, distributions and allocations for all periods, including the period in which such distribution occurs (other than

those distributions made pursuant to this Section 8.2(d), Section 8.3 or Section 8.4 hereof).

If upon dissolution and termination of the Partnership the Capital Account of any Partner is less than zero, then such Partner shall have no obligation to restore the negative balance in its Capital Account unless and except to the extent that such Partner has so elected under Section 4.8. Whenever the Liquidation Agent reasonably determines that any reserves established pursuant to paragraph (b) above are in excess of the reasonable requirements of the Partnership, the amount determined to be excess shall be distributed to the Partners in accordance with the above provisions.

8.3 SALE OF PARTNERSHIP ASSETS. In the event of the liquidation of the Partnership in accordance with the terms of this Agreement, the Liquidation Agent may sell Partnership property; PROVIDED, HOWEVER, that all sales, leases, encumbrances or transfers of Partnership assets shall be made by the Liquidation Agent solely on an "arm's length" basis, at the best price and on the best terms and conditions as the Liquidation Agent in good faith believes are reasonably available at the time and under the circumstances and on a non-recourse basis to the Limited Partners. The liquidation of the Partnership shall not be deemed finally terminated until the Partnership shall have received cash payments in full with respect to obligations such as notes, purchase money mortgages, installment sale contracts or other similar receivables received by the Partnership in connection with the sale of Partnership assets and all obligations of the Partnership have been satisfied or assumed by the Managing General Partner or the Non-Managing General Partners. The Liquidation Agent shall continue to act to enforce all of the rights of the Partnership pursuant to any such obligations until paid in full or otherwise discharged or settled.

8.4 DISTRIBUTIONS IN KIND. In the event that it becomes necessary to make a distribution of Partnership property in kind in connection with the liquidation of the Partnership, the Managing General Partner may, if it determines that to do so would be in the best interest of the Partners and obtains the Consent of the Limited Partners and consent of the Non-Managing General Partners, transfer and convey such property to the distributees as tenants in common, subject to any liabilities attached thereto, so as to vest in them undivided interests in the whole of such property in proportion to their respective rights to share in the proceeds of the sale of such property (other than as a creditor) in accordance with the provisions of Section 8.2 hereof. Immediately prior to the distribution of Partnership property in kind, the Capital Account of each Partner shall be increased or decreased, as the case may be, to reflect the manner in which the unrealized income, gain, loss and deduction inherent in such property (to the extent not previously reflected in the Capital Accounts) would be allocated among the Partners if there were a

taxable disposition of such property for its fair market value as of the date of the distribution.

8.5 DOCUMENTATION OF LIQUIDATION. Upon the completion of the dissolution and liquidation of the Partnership, the Partnership shall terminate and the Liquidation Agent shall have the authority to execute and record any and all documents or instruments required to effect the dissolution, liquidation and termination of the Partnership.

8.6 LIABILITY OF THE LIQUIDATION AGENT. The Liquidation Agent shall be indemnified and held harmless by the Partnership from and against any and all claims, demands, liabilities, costs, damages and causes of action of any nature whatsoever arising out of or incidental to the Liquidation Agent's taking of any action authorized under or within the scope of this Agreement; and PROVIDED, HOWEVER, that no Partner shall have any personal liability with respect to the foregoing indemnification, any such indemnification to be satisfied solely out of the assets of the Partnership; and PROVIDED FURTHER, HOWEVER, that the Liquidation Agent shall not be entitled to indemnification, and shall not be held harmless, where the claim, demand, liability, cost, damage or cause of action at issue arose out of:

(a) A matter entirely unrelated to the Liquidation Agent's action or conduct pursuant to the provisions of this Agreement; or

(b) The proven misconduct or gross negligence of the Liquidation Agent.

ARTICLE IX

TRANSFER OF PARTNERSHIP INTERESTS AND RELATED MATTERS

9.1 NON-MANAGING GENERAL PARTNERS TRANSFERS AND DEEMED TRANSFERS. Neither of the Non-Managing General Partners shall (i) withdraw from the Partnership, (ii) merge, consolidate or engage in any combination with another Person, (iii) sell all or substantially all of its assets or (iv) sell, assign, pledge, encumber or otherwise dispose of all or any portion of its Partnership Units except where such merger, consolidation, sale, assignment, pledge or other disposal is to another General Partner as its sole successor. In the event of the withdrawal by a General Partner from the Partnership, in violation of this Agreement or otherwise, or the dissolution, termination or Bankruptcy of a General Partner, within 90 days after the occurrence of any such event, the remaining General Partners or a majority in interest of the remaining Partners may elect in writing to continue the Partnership business and may, or if there is then no General Partner other than one that has withdrawn or as to which dissolution, termination or Bankruptcy has occurred shall, select a substitute general partner effective as of the date of the occurrence of any such event.

9.2 MANAGING GENERAL PARTNER TRANSFERS AND DEEMED TRANSFERS. The Managing General Partner shall not (i) withdraw from the Partnership, (ii) merge, consolidate or engage in any combination with another Person other than another General Partner, (iii) sell all or substantially all of its assets or (iv) sell, assign, pledge, encumber or otherwise dispose of all or any portion of its Partnership Units or Preferred Units except to the Partnership, in each case without the Consent of the Limited Partners. Upon any transfer of any Partnership Units (not Preferred Units) in accordance with the provisions of this Section 9.2, the transferee General Partner shall become vested with the powers and rights of the transferor General Partner with respect to the Partnership Units transferred, and shall be liable for all obligations and responsible for all duties of the transferor General Partner, once such transferee has executed such instruments as may be necessary to effectuate such admission and to confirm the agreement of such transferee to be bound by all the terms and provisions of this Agreement with respect to the Partnership Units so acquired. It is a condition to any transfer otherwise permitted hereunder that the transferee assumes by operation of law or express agreement all of the obligations of the transferor Managing General Partner under this Agreement with respect to such transferred Partnership Units and no such transfer (other than pursuant to a statutory merger or consolidation wherein all obligations and liabilities of the transferor General Partner are assumed by a successor corporation by operation of law) shall relieve the transferor General Partner of its obligations under this Agreement accruing prior to the date of such transfer.

9.3 TRANSFERS BY LIMITED PARTNERS. Except as otherwise provided in this Section 9.3, the Limited Partners shall not Transfer all or any portion of their Partnership Units to any transferee without the consent of the Managing General Partner, which consent may be withheld in its sole and absolute discretion; PROVIDED, HOWEVER, that the foregoing shall not be considered a limitation on the ability of the Limited Partners to exercise their Rights pursuant to Article XI hereof.

(a) Notwithstanding the foregoing, but subject to the provisions of Section 9.5 hereof, any Limited Partner may at any time, without the consent of the Managing General Partner, (i) Transfer all or a portion of its Partnership Units or LP Preferred Units to an Affiliate of such Limited Partner, or (ii) Pledge some or all of its Partnership Units or LP Preferred Units to any Institutional Lender. Any Transfer to an Affiliate pursuant to clause (i) and any Transfer to a pledgee of Partnership Units or LP Preferred Units Pledged pursuant to clause (ii) may be made without the consent of the Managing General Partner but, except as provided in subsequent provisions of this Section 9.3, such transferee or such pledgee shall hold the Units or LP Preferred Units so transferred to it (and shall be admitted to the Partnership as a Substitute Limited Partner) subject to all the restrictions set forth in this Section 9.3. It is a condition to any Transfer otherwise permitted under any provision of this

Section 9.3 that the transferee assumes by operation of law or express agreement all of the obligations of the transferor Limited Partner under this Agreement with respect to such transferred Partnership Units or LP Preferred Units, as the case may be, arising after the effective date of the Transfer and no such Transfer (other than pursuant to a statutory merger or consolidation wherein all obligations and liabilities of the transferor Partner are assumed by a successor corporation by operation of law, and other than pursuant to an exercise of the Rights pursuant to Article XI wherein all obligations and liabilities of the transferor Partner arising from and after the date of such Transfer shall be assumed by the Managing General Partner) shall relieve the transferor Partner of its obligations under this Agreement prior to the effective date of such Transfer. Upon any such Transfer or Pledge permitted under this Section 9.3, the transferee or, upon foreclosure on the Pledged Partnership Units or LP Preferred Units, as the case may be, each Institutional Lender which is the pledgee shall be admitted as a Substituted Limited Partner as such term is defined in the Act and shall succeed to all of the rights, including rights with respect to the Rights, of the transferor Limited Partner under this Agreement in the place and stead of such transferor Limited Partner; PROVIDED, HOWEVER, that notwithstanding the foregoing, any transferee of any transferred Partnership Unit or LP Preferred Units, as the case may be, shall, unless the Ownership Limit is waived in writing by the Managing General Partner, be subject to the Ownership Limit applicable to Persons other than the Limited Partners and/or their Affiliates which may limit or restrict such transferee's ability to exercise the Limited Partner's Rights, if any. Any transferee, whether or not admitted as a Substituted Limited Partner, shall take subject to the obligations of the transferor hereunder. No transferee pursuant to a Transfer which is not expressly permitted under this Section 9.3 and is not consented to by the Managing General Partner, whether by a voluntary Transfer, by operation of law or otherwise, shall have any rights hereunder, other than the right to receive such portion of the distributions and allocations of Profits and Losses made by the Partnership as are allocable to the Partnership Units or LP Preferred Units, as the case may be, so transferred.

(b) In addition to the Rights granted to the JCP Limited Partner and any other Transfers permitted under this Article IX, the JCP Limited Partner shall have the right to transfer all of its Partnership Units to a single accredited investor, as defined in Rule 501 promulgated under the Securities Act, subject to the provisions of Section 9.5, and such transferee shall be admitted to the Partnership as a Substitute Limited Partner. Any transferee of the Partnership Units owned by the JCP Limited Partner shall be subject to all of the restrictions set forth in Section 9.3(a) above; PROVIDED, HOWEVER, that if the JCP Limited Partner hereafter Pledges its Partnership Units pursuant to Section 9.3(a), then provided that the JCP Limited Partner has not previously exercised the right provided for above in this Section 9.3(b), the Institutional Lender or Lenders which are the

pledgee(s) may exercise such right, whether by taking title to the JCP Limited Partner's Partnership Units and then transferring the same or by effecting such transfer upon foreclosure of the Pledge.

(c) The Limited Partners acknowledge that the Partnership Units and LP Preferred Units have not been registered under any federal or state securities laws and, as a result thereof, they may not be sold or otherwise transferred, except in accordance with Article XI or otherwise in compliance with such laws. Notwithstanding anything to the contrary contained in this Agreement, no Partnership Units or LP Preferred Units may be sold or otherwise transferred except pursuant to Article XI unless such Transfer is exempt from registration under any applicable securities laws or such Transfer is registered under such laws, it being acknowledged that the Partnership has no obligation to take any action which would cause any such interests to be registered.

9.4 ISSUANCE OF ADDITIONAL PARTNERSHIP UNITS AND PREFERRED UNITS.

(a) At any time after the date hereof, subject to the provisions of Section 9.5 hereof, the Managing General Partner may, upon its determination that the issuance of additional Partnership Units or LP Preferred Units ("Additional Units") is in the best interests of the Partnership, cause the Partnership to issue Additional Units to any existing Partner or issue Additional Units to and admit as a partner in the Partnership any Person in exchange for the contribution by such Person of cash and/or property which the Managing General Partner determines is desirable to further the purposes of the Partnership under Section 2.3 hereof and which the Managing General Partner determines has a value that justifies the issuance of such Additional Units. In the event that Additional Units are issued by the Partnership pursuant to this Section 9.4, (i) in the case of the issuance of Partnership Units, the number of Partnership Units issued shall be determined by dividing the Gross Asset Value of the property contributed (reduced by the amount of any indebtedness assumed by the Partnership or to which such property is subject) as of the date of contribution to the Partnership (the "Contribution Date") by the Contribution Deemed Partnership Unit Value, computed as of the Trading Day immediately preceding the Contribution Date and (ii) in the case of the issuance of LP Preferred Units, the aggregate liquidation preference of LP Preferred Units as of the date they are so issued shall equal the Gross Asset Value of the property contributed (reduced by the amount of any indebtedness assumed by the Partnership or to which such property is subject) as of the Contribution Date.

In addition, the Managing General Partner may, upon its determination that the issuance of GP Preferred Units is in the best interests of the Partnership, issue GP Preferred Units in accordance with Section 4.3(c) hereof.

(b) Each class or series of LP Preferred Units issued in accordance with Section 9.4(a) shall be described in a written document (the "LP Preferred Unit Designation") attached as EXHIBIT

B-2 that shall set forth, in sufficient detail, the economic rights, including dividend, distribution, redemption and conversion rights and sinking fund provisions, of the class or series of LP Preferred Units.

(c) The Managing General Partner shall be authorized on behalf of each of the Partners to amend this Agreement to reflect the admission of any Partner or any increase in the Partnership Units or Preferred Units of any Partner in accordance with the provisions of this Section 9.4, and the Managing General Partner shall promptly deliver a copy of such amendment to the Non-Managing General Partners and each Limited Partner. In addition, upon the issuance of any class or series of LP Preferred Units pursuant to Section 9.4(a), the Managing General Partner shall provide the Limited Partners with a copy of the LP Preferred Unit Designation relating to such class or series. The Limited Partners hereby irrevocably appoint the Managing General Partner as their attorney-in-fact, coupled with an interest, solely for the purpose of executing and delivering such documents, and taking such actions, as shall be reasonably necessary in connection with the provisions of this Section 9.4 or making any modification to this Agreement permitted by Section 7.3 (including, without limitation, any modification which, under Section 7.3 hereof, requires the Consent of the Limited Partners where such consent has been obtained). Nothing contained in this Section 9.4 shall be construed as authorizing the Managing General Partner to grant any consent on behalf of the Limited Partners, or any of them.

9.5 RESTRICTIONS ON TRANSFER.

(a) In addition to any other restrictions on Transfer herein contained, in no event may any Transfer or assignment of a Partnership Unit or Preferred Unit by any Partner be made nor may any new Partnership Unit or Preferred Unit be issued by the Partnership (i) to any Person which lacks the legal right, power or capacity to own a Partnership Unit or Preferred Unit; (ii) in violation of applicable law; (iii) if such Transfer would immediately or with the passage of time cause either the Managing General Partner or the Non-Managing General Partners to fail to comply with the REIT Requirements, such determination to be made assuming that such Partners do comply with the REIT Requirements immediately prior to the proposed Transfer; (iv) if such Transfer would cause the Partnership to become, with respect to any employee benefit plan subject to Title I of ERISA, a "party-in-interest" (as defined in Section 3(14) of ERISA) or a "disqualified person" (as defined in Section 4975(e) of the Code); (v) if such Transfer would, in the opinion of counsel to the Partnership, cause any portion of the underlying assets of the Partnership to constitute assets of any employee benefit plan pursuant to Department of Labor Regulations Section 2510.3-101; (vi) if such Transfer would result in a deemed distribution to any Partner attributable to a failure to meet the requirements of Regulations Section 1.752-2(d)(1), unless such Partner consents thereto, (vii) if such Transfer would cause any lender to the Partnership to hold in excess of ten (10) percent of the

Partnership Interest that would, pursuant to the regulations under Section 752 of the Code or any successor provision, cause a loan by such a lender to constitute Partner Nonrecourse Debt, (viii) if such Transfer, other than to an Affiliate, is of a Partnership Interest the value of which would have been less than \$20,000 when issued, (ix) if such Transfer would, in the opinion of counsel to the Partnership, cause the Partnership to cease to be classified as a Partnership for federal income tax purposes or (x) if such Transfer is effectuated through an "established securities market" or a "secondary market (or the substantial equivalent thereof)" within the meaning of Section 7704(b) of the Code.

(b) No GP Preferred Unit may be Transferred by the Managing General Partner to any Person who is not a General Partner of the Partnership.

(c) No Limited Partnership Unit may be transferred by any Partner without a Transfer of the corresponding SRC Limited Partnership Unit to the same transferee.

9.6 SHELF REGISTRATION RIGHTS. The Managing General Partner agrees that, upon the request of any Limited Partner that has not entered into a Registration Rights Agreement with the Managing General Partner substantially in the form of Exhibit D hereto (each, a "Shelf Rights Holder"), made at any time, the Managing General Partner will, if it has not already done so, within 60 days thereafter file a "shelf" registration statement (the "Shelf Registration"), on an appropriate form pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), or any similar rule that may be adopted by the SEC, with respect to the sale of Registrable Securities (as defined below) by the Shelf Rights Holders in ordinary course brokerage or dealer transactions not involving an underwritten public offering. The Managing General Partner shall use all reasonable efforts to have the Shelf Registration declared effective as soon as practicable after such filing and to keep such Shelf Registration continuously effective following the date on which such Shelf Registration is declared effective for so long as any Units are outstanding. The Managing General Partner further agrees, if necessary, to supplement or make amendments to the Shelf Registration, if required by the registration form used by the Managing General Partner for the Shelf Registration or by the instructions applicable to such registration form or by the Securities Act or the rules and regulations thereunder, and the Managing General Partner agrees to furnish to each Shelf Rights Holder copies of any such supplement or amendment at least three days prior to its being used and/or filed with the SEC. Notwithstanding the foregoing, if the Managing General Partner shall furnish to the Unit holder a certificate signed by the Chief Executive Officer of the Managing General Partner stating that in the good faith judgment of the Directors it would be significantly disadvantageous to the Managing General Partner and its stockholders for any such Shelf Registration to be amended or supplemented, the Managing General Partner may defer such amending or supplementing of such Shelf

Registration for not more than 45 days and in such event the Unit holder shall be required to discontinue disposition of any Registrable Securities covered by such Shelf Registration during such period. Notwithstanding the foregoing, if the Managing General Partner irrevocably elects, or the Partnership is so required under Section 11.3, prior to the filing of any Shelf Registration to issue all cash in lieu of Shares upon the exchange of Units by the holder requesting the filing of such Shelf Registration, the Managing General Partner shall not be obligated to file such Shelf Registration Statement. The Managing General Partner shall make available to its security holders, as soon as reasonably practicable, a statement of operations covering a period of twelve (12) months, commencing on the first day of the fiscal quarter next succeeding each sale of any Registrable Securities pursuant to the Shelf Registration, in a manner which shall satisfy the provisions of Section 11(a) of the Securities Act.

(a) SECURITIES SUBJECT TO THIS SECTION 9.6. The securities entitled to the benefits of this Section 9.6 are the Shares that have been or may be issued from time to time upon the exchange of Units pursuant to Article XI hereof and any other securities issued by the Managing General Partner in accordance with the terms of this Agreement in exchange for any of the Shares (collectively, the "Registrable Securities") but, with respect to any particular Registrable Security, only so long as it continues to be a Registrable Security. Registrable Securities shall include any securities issued in accordance with the terms of this Agreement as a dividend or distribution on account of Registrable Securities or resulting from a subdivision of the outstanding Shares of Registrable Securities into a greater number of shares (by reclassification, stock split or otherwise). For the purposes of this Agreement, a security that was at one time a Registrable Security shall cease to be a Registrable Security when (i) such security has been effectively registered under the Securities Act, and either (A) the registration statement with respect thereto has remained continuously effective for 150 days or (B) such security has been disposed of pursuant to such registration statement, (ii) such security is or can be immediately sold to the public in reliance on Rule 144 (or any similar provision then in force) under the Securities Act, (iii) such security has been otherwise transferred and (a) the Managing General Partner has delivered a new certificate or other evidence of ownership not bearing the legend set forth on the Shares upon the initial issuance thereof (or other legend of similar import) and (b) in the opinion of counsel to the Managing General Partner, the subsequent disposition of such security would not require the registration or qualification under the Securities Act or any similar state law then in force, or (iv) such security has ceased to be outstanding.

(b) REGISTRATION EXPENSES. The Managing General Partner shall pay, as REIT Expenses, all expenses incident to the Shelf Registration, including, without limitation, (i) all SEC, stock exchange and National Association of Securities Dealers,

Inc. registration, filing and listing fees, (ii) all fees and expenses incurred in complying with securities or "blue sky" laws (including reasonable fees and disbursements of counsel in connection with "blue sky" qualifications of the Registrable Securities), (iii) all printing, messenger and delivery expenses, (iv) all fees and disbursements of the Managing General Partner's independent public accountants and counsel and (v) all fees and expenses of any special experts retained by the Managing General Partner in connection with the Shelf Registration pursuant to the terms of this Section 9.6, regardless of whether such Shelf Registration becomes effective, unless such Shelf Registration fails to become effective as a result of the fault of the Shelf Rights Holders; PROVIDED, HOWEVER, that the Managing General Partner shall not pay the costs and expenses of any Shelf Rights Holder relating to brokerage or dealer fees, transfer taxes or the fees or expenses of any counsel's accountants or other representatives retained by the Shelf Rights Holders, individually or in the aggregate.

ARTICLE X

RIGHTS AND OBLIGATIONS OF THE LIMITED PARTNERS

10.1 NO PARTICIPATION IN MANAGEMENT. Except as expressly permitted hereunder, the Limited Partners shall not take part in the management of the Partnership's business, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership; PROVIDED, that the foregoing shall not be deemed to limit the ability of a Limited Partner (or any officer or director thereof) who is an officer, director or employee of the Partnership, either the Managing General Partner or Non-Managing General Partners, or any Affiliate thereof, to act in such capacity.

10.2 BANKRUPTCY OF A LIMITED PARTNER. The Bankruptcy of any Limited Partner shall not cause a dissolution of the Partnership, but the rights of such Limited Partner to share in the Profits or Losses of the Partnership and to receive distributions of Partnership funds shall, on the happening of such event, devolve to its successors or assigns, subject to the terms and conditions of this Agreement, and the Partnership shall continue as a limited partnership. However, in no event shall such assignee(s) become a Substituted Limited Partner except in accordance with Article IX.

10.3 NO WITHDRAWAL. No Limited Partner may withdraw from the Partnership without the prior written consent of the Managing General Partner and of the Non-Managing General Partners, other than as expressly provided in this Agreement.

10.4 DUTIES AND CONFLICTS. (a) The Partners recognize that each of the other Partners and their Affiliates have or may have other business interests, activities and investments, some of which may be in conflict or competition with the business of the Partnership, and that such Persons are entitled to carry on such other business interests, activities and investments. In

addition, the Partners recognize that certain of the Limited Partners and their Affiliates are and may in the future be tenants of the Partnership, Subsidiary Entities or other Persons or own anchor or other stores in the Properties of the Partnership, or Subsidiary Entities or other properties and in connection therewith may have interests that conflict with those of the Partnership or Subsidiary Entities. In deciding whether to take any actions in such capacity, such Limited Partners and their Affiliates shall be under no obligation to consider the separate interests of the Partnership or Subsidiary Entities and shall have no fiduciary obligations to the Partnership or Subsidiary Entities and shall not be liable for monetary damages for losses sustained, liabilities incurred or benefits not derived by the other Partners in connection with such acts; nor shall the Partnership, the Non-Managing General Partners, the Managing General Partner or any Subsidiary Entities be under any obligation to consider the separate interests of the Limited Partners and their Affiliates in such Limited Partners' independent capacities or have any fiduciary obligations to the Limited Partners and their Affiliates in such capacity or be liable for monetary damages for losses sustained, liabilities incurred or benefits not derived by the Limited Partners and their Affiliates in such independent capacities arising from actions or omissions taken by the Partnership or Subsidiary Entities. The Limited Partners and their Affiliates may engage in or possess an interest in any other business or venture of any kind, independently or with others, on their own behalf or on behalf of other Entities with which they are affiliated or associated, and such Persons may engage in any activities, whether or not competitive with the Partnership or Subsidiary Entities, without any obligation to offer any interest in such activities to the Partnership or Subsidiary Entities or to any Partner or otherwise. Neither the Partnership nor any Partner shall have any right, by virtue of this Agreement, in or to such activities, or the income or profits derived therefrom, and the pursuit of such activities, even if competitive with the business of the Partnership or Subsidiary Entities, shall not be deemed wrongful or improper.

(b) Notwithstanding the foregoing, without the prior consents of the Managing General Partner and the Non-Managing General Partners, no Limited Partner shall knowingly take any action, including acquiring, directly or indirectly, an interest in any tenant of a Property which would have, through the actual or constructive ownership of any tenant of any Property, the effect of causing the percentage of the gross income of either of the Managing General Partner or the Non-Managing General Partners that fails to be treated as "rents from real property" within the meaning of Section 856(d) of the Code to exceed such percentage on the date hereof. Each Limited Partner shall have a duty to notify the Managing General Partner and the Non-Managing General Partners on a timely basis of any potential acquisition or change in ownership that could reasonably be expected to have such effect.

10.5 GUARANTY AND INDEMNIFICATION AGREEMENTS.

(a) The Partnership shall notify the Limited Partners no less than 45 days (or, if the Partnership itself has less than 45 days' prior notice, as promptly as practicable) prior to the occurrence of any event that the Partnership reasonably expects will reduce the amount of Partnership liabilities (including liabilities of any Subsidiary Partnership) that the Limited Partners may include in their individual tax bases of their respective Partnership Interests pursuant to Treasury Regulation Section 1.752-2 and Treasury Regulations Section 1.752-3(a)(2) and (3). Upon receipt of such notice, each Limited Partner shall inform the Partnership of any action it desires to take in its sole and absolute discretion in order to increase the "economic risk of loss" (within the meaning of Treasury Regulation 5 1.752-2) (the "Incurrence") that it has with respect to liabilities of the Partnership or any other Subsidiary Partnerships. The Partnership shall cooperate with each Limited Partner to facilitate the Incurrence by such Limited Partner with respect to Partnership Liabilities or liabilities of any Subsidiary Partnerships in such a way that the Incurrence has the least amount of real economic risk to such Limited Partner and provided that the Incurrence does not have a material adverse impact on any other Partner in the Partnership or any such Partner's Affiliates.

No direct or indirect Partner in the Partnership or any partnership which is the obligor on a JCP Property Liability shall incur the "economic risk of loss" (within the meaning of Treasury Regulation Section 752-2) with respect to any JCP Property Liability without the prior written consent of the JCP Limited Partner.

(b) Notwithstanding the provisions of Section 10.5(a) above, no Limited Partners shall have any right to negotiate directly with any lender of the Partnership or any other Subsidiary Partnership, any such negotiation to be undertaken in good faith by the Managing General Partner or the Non-Managing General Partners on behalf of, and at the request of, all affected Limited Partners.

ARTICLE XI

GRANT OF RIGHTS TO THE LIMITED PARTNERS

11.1 GRANT OF RIGHTS. The Managing General Partner does hereby grant to each of the Limited Partners (other than The Retail Property Trust) and each of the Limited Partners does hereby accept the right, but not the obligation (hereinafter such right sometimes referred to as the "Rights"), to convert all or a portion of such Limited Partner's Limited Partnership Units into Shares or cash, as selected by the Managing General Partner, at any time or from time to time, on the terms and subject to the conditions and restrictions contained in this Article XI; provided, however, that no Limited Partnership Unit may be converted pursuant to this Article XI without a conversion of the corresponding SRC Limited Partnership Unit; and provided, further that each Limited Partnership Unit converted pursuant to this Article XI shall be converted into the same form of consideration

as the corresponding SRC Limited Partnership Unit. The Rights granted hereunder may be exercised by a Limited Partner, on the terms and subject to the conditions and restrictions contained in this Article XI, upon delivery to the Managing General Partner of a notice in the form of Exhibit E (an "Exercise Notice"), which notice shall specify the number of such Limited Partner's Limited Partnership Units to be converted by such Limited Partner (the "Offered Units"). Once delivered, the Exercise Notice shall be irrevocable, subject to payment by the Managing General Partner or the Partnership of the Purchase Price for the Offered Units in accordance with the terms hereof and subject to Section 1 of the Registration Rights Agreements. In the event the Managing General Partner elects to cause the Offered Units to be converted into cash, the Managing General Partner shall effect such conversion by causing the Partnership to redeem the Offered Units for cash.

11.2 LIMITATION ON EXERCISE OF RIGHTS. If an Exercise Notice is delivered to the Managing General Partner but, as a result of the Ownership Limit or as a result of other restrictions contained in the Charter of the Managing General Partner, the Rights cannot be exercised in full for Shares, the Exercise Notice, if the Purchase Price is to be payable in Shares, shall be deemed to be modified such that the Rights shall be exercised only to the extent permitted under the Ownership Limit or under other restrictions in the Charter of the Managing General Partner. Notwithstanding the foregoing, any Person shall be permitted to exercise its Rights hereunder during the first half of a taxable year of the Managing General Partner even if upon conversion of the Offered Units into Shares, the Shares held by such Person will exceed the Ownership Limit, so long as such Person shall immediately following such conversion sell so many of such Shares as shall cause the Ownership Limit not to be exceeded upon consummation of such sale. The Managing General Partner hereby agrees to exercise its right pursuant to its Charter to permit the Ownership Limit to be exceeded in the circumstances described in the preceding sentence.

11.3 COMPUTATION OF PURCHASE PRICE/FORM OF PAYMENT. The purchase price ("Purchase Price") payable to a tendering Limited Partner shall be equal to the Deemed Partnership Unit Value multiplied by the number of Offered Units computed as of the date on which the Exercise Notice was delivered to the Managing General Partner (the "Computation Date"). Subject to the following paragraph, the Purchase Price for the Offered Units shall be payable, at the option of the Managing General Partner, by causing the Partnership to redeem the Offered Units for cash in the amount of the Purchase Price, or by the issuance by the Managing General Partner of the number of Shares equal to the number of Offered Units (adjusted as appropriate to account for stock splits, stock dividends or other similar transactions between the Computation Date and the closing of the purchase and sale of the Offered Units in the manner specified in Section 11.7(d) below).

Where a Limited Partner exercising its rights pursuant to this Section on or after August 9, 2001, up to, but not including, August 9, 2004, is a DeBartolo, and such Limited Partner has received a special allocation of taxable income or gain from a Covered Sale pursuant to Section 6.1(e) within 90 days prior to the date of such exercise, then to the extent of any tax due on such allocation and on the redemption of such Limited Partner's Units, the Managing General Partner shall, if such Limited Partner so requests in the Exercise Notice, cause the Partnership to redeem its Units for cash in accordance with this Section 11.3.

11.4 CLOSING. The closing of the acquisition or redemption of Offered Units shall, unless otherwise mutually agreed, be held at the principal offices of the Managing General Partner, on the date agreed to by the Managing General Partner and the relevant Limited Partner, which date (the "Settlement Date") shall in no event be on a date which is later than the later of (i) ten (10) days after the date of the Exercise Notice and (ii) five (5) days after the expiration or termination of the waiting period applicable to the Limited Partner, if any, under the Hart-Scott-Rodino Act (the "HSR Act"). The Managing General Partner agrees to use its best efforts to obtain an early termination of the waiting period applicable to any such acquisition, if any, under the HSR Act. Until the Settlement Date, each tendering Partner shall continue to own his Offered Units, and will continue to be treated as the holder of such Offered Units for all purposes of this Agreement, including, without limitation, for purposes of voting, consent, allocations and distributions. Offered Units will be transferred to the Managing General Partner only upon receipt by the tendering Partner of Shares or cash in payment in full therefor.

11.5 CLOSING DELIVERIES. At the closing of the purchase and sale or redemption of Offered Units, payment of the Purchase Price shall be accompanied by proper instruments of transfer and assignment and by the delivery of (i) representations and warranties of (A) the tendering Limited Partner with respect to its due authority to sell all of the right, title and interest in and to such Offered Units to the Managing General Partner or the Partnership, as applicable, and with respect to the ownership by the Limited Partner of such Units, free and clear of all Liens, and (B) the Managing General Partner with respect to its due authority to acquire such Units for Shares or to cause the Partnership to redeem such Units for cash and, in the case of payment by Shares, (ii) (A) an opinion of counsel for the Managing General Partner, reasonably satisfactory to such Limited Partner, to the effect that such Shares have been duly authorized, are validly issued, fully-paid and non-assessable, and (B) a stock certificate or certificates evidencing the Shares to be issued and registered in the name of the Limited Partner or its designee.

11.6 TERM OF RIGHTS. The rights of the parties with respect to the Rights shall remain in effect, subject to the terms hereof, throughout the existence of the Partnership.

11.7 COVENANTS OF THE MANAGING GENERAL PARTNER. To facilitate the Managing General Partner's ability fully to perform its obligations hereunder, the Managing General Partner covenants and agrees as follows:

(a) At all times while the Rights are in existence, the Managing General Partner shall reserve for issuance such number of Shares as may be necessary to enable the Managing General Partner to issue such Shares in full payment of the Purchase Price in regard to all Partnership Units which are from time to time outstanding and held by the Limited Partners.

(b) As long as the Managing General Partner shall be obligated to file periodic reports under the Exchange Act, the Managing General Partner will timely file such reports in such manner as shall enable any recipient of Shares issued to a Limited Partner hereunder in reliance upon an exemption from registration under the Securities Act to continue to be eligible to utilize Rule 144 promulgated by the SEC pursuant to the Securities Act, or any successor rule or regulation or statute thereunder, for the resale thereof.

(c) During the pendency of the Rights, the Limited Partners shall receive in a timely manner all reports filed by the Managing General Partner with the SEC and all other communications transmitted from time to time by the Managing General Partner to the owners of its Shares.

(d) Under no circumstances shall the Managing General Partner declare any stock dividend, stock split, stock distribution or the like, unless fair and equitable arrangements are provided, to the extent necessary, fully to adjust, and to avoid any dilution in, the Rights of any Limited Partner under this Agreement.

11.8 LIMITED PARTNERS' COVENANT. Each of the Limited Partners covenants and agrees with the Managing General Partner that all Offered Units tendered to the Managing General Partner or the Partnership, as the case may be, in accordance with the exercise of Rights herein provided shall be delivered free and clear of all Liens and should any Liens exist or arise with respect to such Offered Units, the Managing General Partner or the Partnership, as the case may be, shall be under no obligation to acquire the same unless, in connection with such acquisition, the Managing General Partner has elected to cause the Partnership to pay such portion of the Purchase Price in the form of cash consideration in circumstances where such consideration will be sufficient to cause such existing Lien to be discharged in full upon application of all or a part of such consideration and the Partnership is expressly authorized to apply such portion of the

Purchase Price as may be necessary to satisfy any indebtedness in full and to discharge such Lien in full. In the event any transfer tax is payable by the Limited Partner as a result of a transfer of Partnership Units pursuant to the exercise by a Limited Partner of the Rights, the Limited Partner shall pay such transfer tax.

11.9 DIVIDENDS. If a Limited Partner shall exchange any Partnership Units for Shares pursuant to this Article XI on or prior to the Partnership Record Date for any distribution to be made on such Partnership Units, in accordance with the Charter of the Managing General Partner such Limited Partner will be entitled to receive the corresponding distribution to be paid on such Shares and shall not be entitled to receive the distribution made by the Partnership in respect of the exchanged Partnership Units.

ARTICLE XII

GENERAL PROVISIONS

12.1 INVESTMENT REPRESENTATIONS.

(a) Each Limited Partner acknowledges that it (i) has been given full and complete access to the Partnership and those person who will manage the Partnership in connection with this Agreement and the transactions contemplated hereby, (ii) has had the opportunity to review all documents relevant to its decision to enter into this Agreement, and (iii) has had the opportunity to ask questions of the Partnership and those persons who will manage the Partnership concerning its investment in the Partnership and the transactions contemplated hereby.

(b) Each Limited Partner acknowledges that it understands that the Partnership Units to be purchased or otherwise acquired by it hereunder will not be registered under the Securities Act of 1933 in reliance upon the exemption afforded by Section 4(2) thereof for transactions by an issuer not involving any public offering, and will not be registered or qualified under any applicable state securities laws. Each Limited Partner represents that (i) it is acquiring such Partnership Units for investment only and without any view toward distribution thereof, and it will not sell or otherwise dispose of such Partnership Units except pursuant to the exercise of the Rights or otherwise in accordance with the terms hereof and in compliance with the registration requirements or exemption provisions of any applicable state securities laws, (ii) its economic circumstances are such that it is able to bear all risks of the investment in the Partnership Units for an indefinite period of time including the risk of a complete loss of its investment in the Units and (iii) it has knowledge and experience in financial and business matters sufficient to evaluate the risks of investment in the Partnership Units. Each Limited Partner further acknowledges and represents that it has made its own independent investigation of the Partnership and the business conducted and proposed to be conducted by the Partnership, and

that any information relating thereto furnished to the Limited Partner was supplied by or on behalf of the Partnership.

12.2 NOTICES. All notices, offers or other communications required or permitted to be given pursuant to this Agreement shall be in writing and may be personally delivered or sent by United States mail or by reputable overnight delivery service and shall be deemed to have been given when delivered in person, upon receipt when delivered by overnight delivery service or three business days after deposit in United States mail, registered or certified, postage prepaid, and properly addressed, by or to the appropriate party. For purposes of this Section 12.2, the addresses of the parties hereto shall be as set forth on Exhibit A hereof. The address of any party hereto may be changed by a notice in writing given in accordance with the provisions hereof.

12.3 SUCCESSORS. This Agreement and all the terms and provisions hereof shall be binding upon and shall inure to the benefit of all Partners, and their legal representatives, heirs, successors and permitted assigns, except as expressly herein otherwise provided.

12.4 LIABILITY OF LIMITED PARTNERS. The liability of the Limited Partners for their obligations, covenants representations and warranties under this Agreement shall be several and not joint.

12.5 EFFECT AND INTERPRETATION. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN CONFORMITY WITH THE LAWS OF THE STATE OF DELAWARE.

12.6 COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

12.7 PARTNERS NOT AGENTS. Nothing contained herein shall be construed to constitute any Partner the agent of another Partner, except as specifically provided herein, or in any manner to limit the Partners in the carrying on of their own respective businesses or activities.

12.8 ENTIRE UNDERSTANDING; ETC. This Agreement and the other agreements referenced herein or therein or to which the signatories hereto or thereto are parties constitute the entire agreement and understanding among the Partners and supersede any prior understandings and/or written or oral agreements among them respecting the subject matter within.

12.9 SEVERABILITY. If any provision of this Agreement, or the application of such provision to any Person or circumstance, shall be held invalid by a court of competent jurisdiction, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those to which it is held invalid by such court, shall not be affected thereby.

12.10 TRUST PROVISION. This Agreement, to the extent executed by the trustee of a trust, is executed by such trustee solely as trustee and not in a separate capacity. Nothing herein contained shall create any liability on, or require the performance of any covenant by, any such trustee individually, nor shall anything contained herein subject the individual property of any trustee to any liability.

12.11 PRONOUNS AND HEADINGS As used herein, all pronouns shall include the masculine, feminine and neuter, and all defined terms shall include the singular and plural thereof wherever the context and facts require such construction. The headings, titles and subtitles herein are inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof. Any references in this Agreement to "including" shall be deemed to mean "including without limitation."

12.12 ASSUMPTION OF LIABILITIES. Nothing contained in this Agreement shall have the effect of terminating, negating or modifying in any respect the assumption of liabilities by the Partnership set forth in Section 10.8 of the Fourth Amended and Restated Limited Partnership Agreement of the Partnership dated as of April 21, 1994 and the Partnership reaffirms its obligations thereunder.

12.13 ASSURANCES. Each of the Partners shall hereafter execute and deliver such further instruments (provided such instruments are in form and substance reasonably satisfactory to the executing Partner) and do such further acts and things as may be reasonably required or useful to carry out the intent and purpose of this Agreement and as are not inconsistent with the terms hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be executed effective as of the date and year first above written.

GENERAL PARTNERS:

SD PROPERTY GROUP, INC.

By: _____
Name:
Title:

SPG PROPERTIES, INC.

By: _____
Name:
Title:

SIMON PROPERTY GROUP, INC.

By: _____
Name:
Title:

LIMITED PARTNERS:

- - - - -
MELVIN SIMON & ASSOCIATES, INC.

By: _____
Name:
Title:

JCP REALTY, INC.

By: _____
Name:
Title:

BRANDYWINE REALTY, INC.

By: _____
Name:
Title:

- - - - -
MELVIN SIMON

- - - - -
HERBERT SIMON

- - - - -
DAVID SIMON

- - - - -
DEBORAH J. SIMON

- - - - -
CYNTHIA J. SIMON SKJODT

- - - - -
IRWIN KATZ, as Successor Trustee Under Declaration of Trust and Trust Agreement
Dated August 4, 1970

- - - - -
IRWIN KATZ, as Trustee of the Melvin Simon Trust No. 1, the Melvin Simon Trust
No. 6, the Melvin Simon Trust No. 7 and the Herbert Simon Trust No. 3

MELVIN SIMON & ASSOCIATES, INC.

By: _____
Name:
Title:

PENN SIMON CORPORATION

By: _____
Name:
Title:

NACO SIMON CORP.

By: _____
Name:
Title:

SANDY SPRINGS PROPERTIES, INC.

By: _____
Name:
Title:

SIMON ENTERPRISES, INC.

By: _____
Name:
Title:

S.F.G. COMPANY, L.L.C.

By: MELVIN SIMON & ASSOCIATES, INC.,
its manager

By: _____
Name:
Title:

MELVIN SIMON, HERBERT SIMON AND DAVID SIMON, NOT INDIVIDUALLY BUT AS VOTING TRUSTEES UNDER THAT CERTAIN VOTING TRUST AGREEMENT, VOTING AGREEMENT AND PROXY DATED AS OF DECEMBER 1, 1993, BETWEEN MELVIN SIMON & ASSOCIATES, INC., AND MELVIN SIMON, HERBERT SIMON AND DAVID SIMON:

- - - - -
Melvin Simon

- - - - -
Herbert Simon

- - - - -
David Simon

ESTATE OF EDWARD J. DeBARTOLO

By: _____
Name:
Title:

By: _____
Name:
Title:

- -----
Edward J. DeBartolo, Jr., individually, and in his capacity as Trustee under (1) the Lisa M. DeBartolo Revocable Trust-successor by assignment from Edward J. DeBartolo Trust No. 5, (ii) the Tiffanie L. DeBartolo Revocable Trust-successor by assignment from Edward J. DeBartolo Trust No. 6 and (iii) Edward J. DeBartolo Trust No. 7 for the Benefit of Nicole A. DeBartolo

- -----
Cynthia R. DeBartolo

- -----
Marie Denise DeBartolo York, individually, and in his/her capacity as Trustee under (i) Edward J. DeBartolo Trust No. 8 for the benefit of John Edward York, (ii) Edward J. DeBartolo Trust No. 9 for the benefit of Anthony John York, (iii) Edward J. DeBartolo Trust No. 10 for the benefit of Mara Denise York and (iv) Edward J. DeBartolo Trust No. 11 for the benefit of Jenna Marie York

EJDC LLC

By: _____
Name:
Title:

DeBARTOLO LLC

By: _____
Name:
Title:

NIDC LLC

By: _____
Name:
Title:

GREAT LAKES MALL LLC

By: _____
Name:
Title:

RUES PROPERTIES LLC

By: _____
Name:
Title:

RUES PROPERTIES, INC.

By: _____
Name:
Title:

CHELTENHAM SHOPPING CENTER ASSOCIATES

By: _____
Name:
Title:

DATED DECEMBER 30, 1999

SIMON GLOBAL LIMITED

-AND-

HANS. C. MAUTNER

EMPLOYMENT AGREEMENT

Jones, Day Reavis & Pogue
Bucklersbury House
3 Queen Victoria Street
London
EC4N 8NA

EMPLOYMENT AGREEMENT

This employment agreement (this "Agreement") is entered into this 30th day of December, 1999, by and between SIMON GLOBAL LIMITED (the "Company") and HANS C. MAUTNER (the "Executive").

RECITALS

The Executive is currently employed as Vice Chairman and a member of the Board of Directors of Simon Property Group, Inc. ("SPG") and a member of such Board's Executive Committee pursuant to an employment agreement ("Employment Agreement") dated September 23, 1998 between the Executive and Corporate Property Investors, a Massachusetts business trust ("CPII"), as amended. The Employment Agreement was entered into as a consequence of the merger of CPII and Simon DeBartolo Group, Inc., a Maryland corporation ("Simon"), pursuant to the terms of an Agreement and Plan of Merger dated as of February 18, 1998 among CPII, Simon and Corporate Realty Consultants, Inc., a Delaware corporation (the "Merger") for the purpose of retaining the Executive as an officer of SPG following the Merger.

The Company has been incorporated in the United Kingdom as a subsidiary of SPG and wishes to retain the Executive on a temporary assignment as its [Chief Executive Officer] to manage its operations from within the United Kingdom under the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1 EMPLOYMENT. TERM AND DUTIES

1.1 EMPLOYMENT The Company hereby employs the Executive and the Executive hereby accepts employment by the Company on the terms and conditions set forth in this Agreement.

1.2 TERM The Executive's employment under this Agreement shall be deemed to have commenced on November 1, 1999 (the "Effective Date") and shall automatically terminate on October 1, 2001 (the "Termination Date"), unless terminated earlier as provided in Section 4 below (the "Term"), or otherwise renewed by mutual agreement of the Company and the Executive. The Executive agrees to exclude any rights he may have under Part X of the Employment Rights Act 1996 in respect of a dismissal consisting only of the expiry of this Agreement without it being renewed. Further, the Executive agrees to exclude any right he may have to a redundancy payment in respect of the expiry of the Term without its being renewed.

1.3 POSITIONS AND DUTIES During the Term, the Executive shall serve as Chief Executive Officer of the Company. During the Term, the Executive shall report directly to the board of directors of the Company (the "Board") and/or to such other person as the Board may determine from time to time. The Executive shall abide by such lawful instructions given by the Board or under its authority. The Executive's principal focus shall be to assist in the operation of the Company at its most senior level in a manner determined from time to time by the Board. The Executive shall be and serve as a director of the Company. Save as aforesaid the Executive shall not, in the United Kingdom, engage on any business on his own account, nor take other employment, nor represent any person's interests other than the Company, nor do or omit to do anything which may prejudice the Executive's continued residence in the United Kingdom on such terms as may be specified by or under the authority of the government of the United Kingdom from time to time. Notwithstanding the foregoing, the Executive may engage in the following activities outside the United Kingdom (or in the United Kingdom in circumstances which do not prejudice the Executive's continued residence in the United Kingdom as mentioned above) (and shall be entitled to retain all economic benefits thereof including fees paid in connection therewith) as long as they do not (without the approval of the Company) substantially interfere with the performance of the Executive's duties and responsibilities hereunder: (i) serve on corporate, civic, religious, educational and/or charitable boards or committees, (ii) deliver lectures, fulfil speaking engagements or teach on a part-time basis at educational institutions and (iii) make investments in businesses or enterprises and manage his personal investments in accordance with the business and ethics policy adopted from time to time by the Company or SPG, (iv) participate (and continue to participate as a director of the commercial corporations listed on Schedule I attached hereto. Notwithstanding the above, the Executive shall not be required to perform any duties and responsibilities which would be likely to result in a non-compliance with or violation of any applicable law.

1.4 COMMITMENT OF EMPLOYEE The Executive shall carry out his duties on such days and during such hours as shall be reasonably determined by the Board having regard to the needs of the Company's

business. Regulation 4(1) of The Working Time Regulations 1998 (the "Regulations") provides that an employee's average working time, including overtime, in any applicable reference period (generally a period of 17 weeks) shall not exceed 48 hours for each seven day period. The Regulations allow individuals to contract out of Regulation 4(1). By entering into this Agreement the Executive agrees with the Company, that for the duration of the Executive's employment, Regulation 4(1) or any successor provision shall not apply, unless and until the expiry of three month's prior written notice given by the Executive to the Company to end such agreement. Whether or not Regulation 4(1) shall apply to the Executive's employment hereunder, the Executive agrees that the 17 week reference period referred to above shall consist of fixed 17 week periods, such 17 week periods shall be deemed to have commenced on October 1, 1999.

1.5 DATA PROTECTION The Executive understands that for purposes connected with his employment by the Company and for providing other benefits connected with his employment, the Company will be processing personal data and sensitive personal data concerning him (the terms "processing", "personal data" and "sensitive personal data" having the meanings given to them in the Data Protection Act 1998). This information will only be processed for the legitimate human resources purposes of the Company. The Executive also understands that the Company may need to transmit this information to affiliates of Simon Property Group and to the providers of benefits made available to him in connection with his employment by the Company. Finally, the Executive understands that this information may need to be transmitted by the Company to the United States of America. The Executive agrees to the processing, disclosing and transmitting of such information, as described above.

2 COMPENSATION AND OTHER BENEFITS

2.1 BASE COMPENSATION As compensation for services rendered during the Term, the Company shall pay to the Executive a base salary (the "Base Salary") initially at an annual rate equal to \$399,200 such Base Salary to be subject to increase from time to time by the Board. The Basic Salary and Annual Bonus payable under 2.2 below and the Housing subsidy referred to in 2.8 below shall be calculated in US dollars and be paid to the Executive in pounds sterling applying the average of the daily spot US dollar to sterling exchange rates for the calendar month preceding the month in which any such payments are to be made. In any event, the Board shall review the Executive's annual Base Salary no less frequently than annually to determine whether any increase should be made. The Base Salary shall be payable in accordance with the payroll policies of the Company as from time to time in effect, less such amounts as shall be required to be deducted or withheld therefrom by applicable law and regulations.

2.2 ANNUAL BONUS In addition to the Base Salary, the Executive shall be eligible to receive, for each calendar year or portion thereof occurring during the Term, a targeted annual bonus (the "Annual Bonus") in an amount up to one hundred thirty-five percent (135%) of the Executive's Base Salary for such calendar year or portion thereof respectively. The amount of any such Annual Bonus shall be determined by the Board in accordance with the standard practice relating to the incentive compensation program of the Company. The Annual Bonus shall be paid to the Executive, less such amounts as shall be required to be deducted or withheld therefrom by applicable law and regulations, at such time or times as is in accordance with the then prevailing policy of the Company relating to incentive compensation payments.

2.3 GENERAL BUSINESS EXPENSES The Company shall pay or reimburse the Executive for all expenses that are consistent with the Company's policy and reasonably and necessarily incurred by the Executive during the Term in the performance of the Executive's duties under this Agreement. Such expenses shall include all Company-related business expenses arising out of activities at clubs at which the Executive is a member. Such payment shall be made upon presentation of such documentation as the Company may reasonably require of its senior executive employees prior to making such payments or reimbursements.

2.4 EXPENSES The Company will reimburse the Executive for the cost of airfare and other miscellaneous out-of-pocket expenses incurred by the Executive and his spouse for not more than three (3) personal round trips annually between the United States and the United Kingdom.

2.5 VACATION During the Term, the Executive shall be entitled to five (5) weeks of vacation per calendar year which shall be taken by the Executive concurrently with, but not in addition to, the vacation days

to which the Executive is entitled under his Employment Agreement, as amended. The Executive shall not be permitted to accumulate and carry over unused vacation time or pay from year to year except to the extent permitted in accordance with the Company's vacation policy for senior executives. The Executive's entitlement to vacation shall accrue during each calendar year pro rata to the number of completed calendar months continuous service by the Executive during such year.

2.6 UNUSED VACATION On the termination of the Executive's employment, the Executive will be entitled to pay in lieu of any untaken vacation entitlement calculated on the basis of 1/260 of Base Salary for each day's holiday entitlement. If on termination of the Executive's employment he has taken holiday in excess of his entitlement then a sum calculated adopting the same method may be deducted from any salary or other payments due to the Executive.

2.7 LOCATION, OFFICE AND SUPPORT STAFF During the Term the Executive shall be entitled to administrative assistance of a type and extent, and to an office or offices (with furnishings and other appointments) of a type and size as may be agreed between the Executive and the Company from time to time. The Executive will be based at the Company's premises in London although, the Executive may regularly on a day to day basis be required to travel and carry out his duties at other places within the United Kingdom as the needs of the Company's business may require. The Executive shall not be required to, and shall not, undertake any duties for the Company outside the United Kingdom.

2.8 HOUSING SUBSIDY During the Term the Company shall provide the Executive with a housing subsidy at a maximum rate of 2,000 pounds sterling per week to defray liabilities for rent and associated costs incurred by the Executive in securing residential accommodation for himself in London during the Term. The housing subsidy shall be payable following production by, the Executive of such documentation as the Company may reasonably require evidencing the Executive's liability for such housing costs. The housing subsidy shall be paid at such times as shall be agreed between the Executive and the Company and shall, at the Company's option, be paid directly to the person or entity providing the Executive's residential accommodation.

3 NON-COMPETITION

3.1 COVENANTS AGAINST COMPETITION The Executive acknowledges that as of the execution of this Employment Agreement (i) the Company is engaged in providing Business Services to such one or more of its affiliates as the Company may from time to time agree; (ii) his employment with the Company will have given him access to confidential information; and (iii) the agreements and covenants contained in this Agreement are essential to protect the business and goodwill of the Company and its affiliates. Accordingly, the Executive covenants and agrees as follows:

(1) NON-COMPETE Without the prior written consent of the Board of the Company, the Executive shall not anywhere in the world directly or indirectly (except in the Executive's capacity as an officer of the Company or any of its affiliates), during the Restricted Period (as defined below) : (i) engage or participate in any activity falling within the definition of Business Services; (ii) enter the employ of, or render any services (whether or not for a fee or other compensation) to, any person engaged in any activity falling within the definition of Business Services; or (iii) acquire an equity interest in any such person in any capacity; provided, that during the Restricted Period the Executive may own, directly or indirectly, solely as a passive investment, securities of any company traded on any national securities exchange or on the National Association of Securities Dealers Automated Quotation System. As used herein, "Business Services" means the research, analysis and development of business relationships and opportunities relating to the acquisition, ownership, financing, leasing, operation and development of shopping centres and other retail projects in Europe, the Far East and Latin America and the "Restricted Period" shall mean the period commencing with the Effective Date and ending on the first anniversary of the date that the Executive's employment hereunder is lawfully terminated by either the Executive, the Company, or both.

(2) CONFIDENTIAL INFORMATION; PERSONAL RELATIONSHIP The Executive acknowledges that the Company has a legitimate and continuing proprietary interest in the protection of its confidential information and has invested substantial sums and will continue to invest substantial sums to develop, maintain and protect confidential information. The Executive agrees that, during and after the Restricted Period, without the prior written consent of the Board, the Executive shall keep secret and retain in strictest confidence, and shall not knowingly use for the benefit of himself or others all confidential matters relating to the Company's Business including, without limitation, operational methods, marketing or development plans or strategies, business acquisition plans, joint venture proposals or plans, and new personnel acquisition plans, learned by the Executive heretofore or hereafter (such information shall be referred to herein collectively as

"Confidential Information"); provided, however, that nothing in this Agreement shall prohibit the Executive from disclosing or using any Confidential Information (A) in the performance of his duties hereunder, (B) as required by applicable law, regulatory authority, recognized subpoena power or any court of competent jurisdiction, (C) in connection with the enforcement of his rights under this Agreement or any other agreement with the Company, or (D) in connection with the defence or settlement of any claim, suit or action

brought or threatened against the Executive by or in the right of the Company. Notwithstanding any provision contained herein to the contrary, the term "Confidential Information" shall not be deemed to include any general knowledge, skills or experience acquired by the Executive or any knowledge or information known or available to the public in general (other than as a result of a breach of this provision by the Executive). Moreover, the Executive shall be permitted to retain copies of, or have access to, all such Confidential Information relating to any disagreement, dispute or litigation (pending or threatened) involving the Executive.

(3) EMPLOYEE OF THE COMPANY AND ITS AFFILIATES During the Restricted Period, without the prior written consent of the Board, the Executive shall not, directly or indirectly, hire or solicit, or cause others to hire or solicit, for employment by any person other than the Company or any affiliate or successor thereof, any employee of, or person employed within the two years preceding the Executive's hiring or solicitation of such person by, the Company and its affiliates or successors or encourage any such employee to leave his employment. For this purpose, any person whose employment has been terminated involuntarily by the Company (or any predecessor of the Company) shall be excluded from those persons protected by this Section 3.1(c) for the benefit of the Company.

(4) BUSINESS RELATIONSHIP During the Restricted Period, the Executive shall not, directly or indirectly, request or advise a person that has a business relationship with the Company to curtail or cancel such person's business relationship with the Company.

3.2 RIGHTS AND REMEDIES UPON BREACH If the Executive breaches, or threatens to commit a breach of, any of the provisions contained in Section 3.1 of this Agreement (the "Restrictive Covenants"), the Company shall have the rights and remedies set out in (a) to (c) below, each of which rights and remedies shall be independent of the others and severally enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity.

(1) SPECIFIC PERFORMANCE The right and remedy to have the Restrictive Covenants specifically enforced by any court of competent jurisdiction, it being agreed that any breach or threatened breach of the Restrictive Covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company.

(2) ACCOUNTING The right and remedy to require the Executive to account for and pay over to the Company all compensation, profits, monies, accruals, increments or other benefits derived or received by the Executive as the result of any action constituting a breach of Restrictive Covenants.

(3) SEVERABILITY OF COVENANTS The Executive acknowledges and agrees that the Restrictive Covenants are reasonable and valid in duration and geographical scope and in all other respects. If any court determines that any of the Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the Restrictive Covenants shall not thereby be affected and shall be given full effect without regard to the invalid portions.

4 TERMINATION

4.1 TERMINATION BY THE COMPANY FOR CAUSE The Company may terminate the Executive's employment hereunder for Cause (as defined below) as provided in this Section 4.1. If the Company terminates the Executive's employment hereunder for Cause, the Executive shall be entitled to:

(1) Base Salary at the rate in effect (as provided for by Section 2.1 of this Agreement) at the time of such termination through to the Date of Termination;

(2) any Annual Bonus earned but not yet paid as of the Date of Termination;

(3) any accrued vacation pay;

(4) reimbursement for expenses incurred, but not yet paid prior to the Date of Termination; and

(5) any other compensation and benefits, including deferred compensation, as may be provided in accordance with the terms and provisions of any applicable plans and programs of the Company through to the

Date of Termination.

In any case described in this Section 4.1, the Executive shall be given written notice authorized by a vote of at least a majority of the members of the Board that the Company intends to terminate the Executive's employment for Cause. Such written notice shall specify the particular act or acts, or failure to act, which is or are the basis for the decision to so terminate the Executive's employment for Cause. The Executive shall be given the opportunity within 30 calendar days of the receipt of such notice to meet with the Board to defend such act or acts, or failure to act, and the Executive shall be given 15 business days after such meeting to correct such act or failure to act. Upon failure of the Executive, within such latter 15 day period, to correct such act or failure to act, the Executive's employment by the Company may be immediately terminated for Cause by summary written notice from the Company to the Executive. Anything herein to the contrary notwithstanding, if, following a termination of the Executive's employment by the Company for Cause based upon the conviction of the Executive for a felony involving actual dishonesty as against the Company, such conviction is overturned on appeal, the Executive shall be entitled to the payments and the economic equivalent of the benefits that the Executive would have received as a result of a termination of the Executive's employment by the Company Without Cause.

For purposes of this Section 4.1, "Cause" means (a) the Executive is convicted of a felony involving actual dishonesty as against the Company, or (b) the Executive, in carrying out his duties and responsibilities under this Agreement, voluntarily engages in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise, unless such act, or failure to act, was believed by the Executive in good faith to be in the best interests of the Company.

4.2 TERMINATION OTHER THAN FOR CAUSE The Company and the Executive may terminate the Executive's employment hereunder upon the expiry of 30 days prior written notice to be given by each party to the other. If the Executive's employment is terminated pursuant to this clause 4.2 then the Executive shall be entitled to:

(1) any Base Salary accrued or Annual Bonus earned but not yet paid as of the Date of Termination;

(2) keep any computer and/or software provided to the Executive by the Company for home or travel use for no consideration provided that any Confidential Information shall first be deleted therefrom by and to the satisfaction of the Company;

(3) any accrued vacation pay;

(4) reimbursement for expenses incurred, but not paid prior to such termination of employment; and

(5) any other compensation and benefits, including deferred compensation, as may be provided through to the Date of Termination in accordance with the terms and provisions of any applicable plans or programs of the Company (including, but not limited to, those plans described in Section 2).

4.3 RESIGNATION FROM OFFICES ON TERMINATION Upon termination of the Executive's employment for whatever reason or at the election of the Board or upon either party hereto giving notice to terminate the Executive's employment the Executive shall upon the request of the Board resign forthwith without claim for compensation (but without prejudice to any claim he may have for damages for breach of this agreement) from any, and all, offices he may hold as a director of the Company or in any other capacity with any person as the Company's nominee. Should the Executive fail to resign from his offices and all of them as required under this clause 4.3 the Company is hereby irrevocably authorised by the Executive to appoint some person in his name and on his behalf TO execute any such documents and do all such things requisite to effect such resignations by the Executive.

4.4 DATE OF TERMINATION For purposes of this Agreement, "Date of Termination" shall mean the date on which Executive's employment with the Company shall terminate for any reason.

5 INDEMNIFICATION Contemporaneously herewith, the Company and the Executive shall execute an indemnification agreement which, by its terms, shall indemnify the Executive to the fullest extent permitted by applicable law and by the Company's certification of incorporation and by-laws. Such indemnification agreement shall contain terms no less favourable to the Executive than the terms of any other indemnification agreement provided to any other senior officer of the Company.

6.1 NOTICES Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, telegraphed, telexed, sent by facsimile transmission or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally, telegraphed, telexed or sent by facsimile transmission or, if mailed, on the date of actual receipt thereof, as follows:

(1) If to the Company to:

Simon Global Limited
 HQ Business Centres
 33 St. James' Square
 Office Number 2-12 and 2-13
 London SW1Y 4JS England

With a copy to:

Simon Property Group, Inc.
 115 West Washington Street
 Indianapolis, Indiana 46204
 Attn: Chief Executive Officer

(2) If to the Executive, to:

Mr. Hans C. Mautner
 8 Cadogan Square
 London SW1 England

Any party may change its address for notice hereunder by notice to the other party hereto.

6.2 ENTIRE AGREEMENT; PRIOR AGREEMENTS This Agreement, including the attached Schedules which are a part hereof for all purposes, contains the entire agreement and understanding between the parties with respect to the subject matter hereof. As of the Effective Date, this Agreement shall supersede all prior employment and severance agreements between the Company (or its predecessors) and the Executive, it being understood, however, that this Agreement shall not supersede the Employment Agreement (or any amendments thereto).

6.3 GOVERNING LAW This Agreement shall be governed and construed in accordance with the laws of the State of New York.

6.4 ASSIGNMENT The obligations of the Executive hereunder are personal and may not be assigned or delegated by him or transferred in any manner whatsoever, nor are such obligations subject to involuntary alienation, assignment or transfer. The Company shall have the right to assign this Agreement and to delegate all rights, duties and obligations hereunder, either in whole or in part, to any parent, affiliate, successor or subsidiary organization or company of the Company, so long as the obligations of the Company under this Agreement remain the obligations of the Company, PROVIDED, that the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance reasonably acceptable to the Executive, to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

7.1 NEGOTIATION The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiations between the Executive and an executive officer of the Company who has authority to settle the controversy. Any party may give the other party written notice of any dispute not resolved in the normal course of business. Within 10 days after the effective date of such notice, the Executive and an executive officer of the Company shall meet at a mutually acceptable time and place within the New York City metropolitan area, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within 30 days of the disputing party's notice, or if the parties fail to meet within 10 days, either party may initiate arbitration of the controversy or claim as provided hereinafter. If a negotiator intends to be accompanied at a meeting by an attorney, the other negotiator shall be given at least three business days' notice of such intention and may also be accompanied by an attorney. All negotiations pursuant to this Section 7.1 shall be treated as compromise and settlement negotiations for the purposes of the federal and state rules of evidence and procedure.

7.2 ARBITRATION Any dispute arising out of or relating to this Agreement or the breach, termination or validity thereof, which has not been resolved by nonbinding means as provided in Section 7.1 within 60 days of the initiation of such procedure, shall be finally settled by arbitration conducted expeditiously in New York City, New York in accordance with the Centre for Public Resources, Inc. ("CPR") Rules for Non-Administered Arbitration of Business Disputes by three independent and impartial arbitrators, of whom each party shall appoint one, provided that if one party has requested the other to participate in a non-binding procedure and the other has failed to participate, the requesting party may initiate arbitration before the expiration of such period. Any such party shall be appointed from the CPR Panels of Neutrals. The arbitration shall be governed by the United States Arbitration Act and any judgment upon the award decided upon the arbitrators may be entered by any court having jurisdiction thereof. The arbitrators are not empowered to award damages in excess of compensatory damages and each party hereby irrevocably waives any damages in excess of compensatory damages. Each party hereby acknowledges that compensatory damages include (without limitation) any benefit or right of indemnification given by one party to the other under this Agreement.

7.3 EXPENSES The Company shall promptly pay or reimburse the Executive for all costs and expenses, including, without limitation, court or arbitration costs and attorneys' and accountants' fees and disbursements incurred by the Executive as a result of any claim, action or proceeding (including, without limitation, a claim, action or proceeding by the Executive against the Company) arising out of, or challenging the validity or enforceability of, this Agreement or any provision hereof or any other agreement or entitlement referred to herein.

8 SUCCESSORS This Agreement shall be binding upon and inure to the benefit of the Executive and his heirs, executors, administrators and legal representatives. This Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns.

9 AMENDMENT This Agreement may be amended or modified only by an agreement in writing executed by all of the parties hereto.

10 BENEFICIARIES/REFERENCES The Executive shall be entitled to select (and change) a beneficiary or beneficiaries to receive any compensation or benefit payable hereunder following the Executive's death, and may change such election, in either case by giving the Company written notice thereof. In the event of the Executive's death or a judicial determination of his incompetence, reference in this Agreement to the Executive shall be deemed, where appropriate, to refer to his beneficiary(ies), estate or other legal representative(s), as the case may be.

11 REPRESENTATION The Company represents and warrants that it is fully authorized and empowered to enter into this Agreement and that the performance of its obligations under this Agreement will not violate any agreement between the Company and any other person, firm or organization or any applicable laws or regulations.

12 SURVIVORSHIP The respective rights and obligations of the parties hereunder shall survive any termination of this Agreement or the Executive's employment hereunder to the extent necessary to the intended preservation of such rights and obligations.

IN WITNESS WHEREOF, the parties have executed this Agreement effective for all purposes as of the date first above written.

For and on behalf of SIMON GLOBAL LIMITED

By: /s/ David Simon

David Simon, Director

By: /s/ James. M. Barkley

James M. Barkley, Secretary

/s/ Hans C. Mautner

HANS C. MAUTNER

In the presence of: /s/ Guy B. Abbiss

SCHEDULE I

DIRECTORSHIPS

Julius Baer Investment Management, Inc.
Blackwell Land Company
Cornerstone Properties Inc.
Corporate Realty Investment Capital
Dreyfus California Tax Exempt Money Market Fund, Inc.
Dreyfus Insured Municipal Bond Fund, Inc.
Dreyfus New Leaders Fund, Inc.
Dreyfus Strategic Municipals, Inc.
Dreyfus Strategic Municipal Bond Fund, Inc.
Dreyfus Municipal Bond Fund, Inc.
Dreyfus Municipal Money Market Fund, Inc.
The International Investor Advisory Board
Mezzanine Lending Associates Advisory Board
Nassau Capital Advisory Board
Destination Europe, Limited

DATED DECEMBER 30, 1999

SIMON PROPERTY GROUP, INC.

-AND-

HANS. C. MAUTNER

FIRST AMENDMENT TO EMPLOYMENT
AGREEMENT DATED SEPTEMBER 23, 1998

Jones, Day Reavis & Pogue
Bucklersbury House
3 Queen Victoria Street
London
EC4N 8NA

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

This First Amendment to Employment Agreement (this "First Amendment") is entered into this 30th day of December, 1999, by and between SIMON PROPERTY GROUP, INC., a Delaware corporation (the "Company") and successor to the business of CORPORATE PROPERTY INVESTORS, INC., a Delaware corporation ("CPII") and successor by merger to CORPORATE PROPERTY INVESTORS, a Massachusetts business trust, and HANS C. MAUTNER (the "Executive").

RECITALS

The Executive is currently employed as Vice Chairman and a member of the Board of Directors of the Company and the Executive Committee of such Board pursuant to an employment agreement ("Employment Agreement") dated September 23, 1998 between the Executive and CPII. The Employment Agreement was entered into as a consequence of the merger of CPII and Simon DeBartolo Group, Inc., a Maryland corporation ("Simon"), pursuant to the terms of an Agreement and Plan of Merger dated as of February 18, 1998 among CPII, Simon and Corporate Realty Consultants, Inc., a Delaware corporation (the "Merger"), for the purpose of retaining the Executive as an officer of the Company following the Merger.

The Company and the Executive wish to amend the terms of the Employment Agreement to reflect certain agreements between the Executive and the Company as a consequence of the Executive undertaking certain part-time duties for Simon Global Limited ("Simon Global"), a company incorporated under the laws of England and Wales and an affiliate of the Company.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree to amend the Employment Agreement as follows:

1. DEFINITIONS. Capitalised terms under herein and not otherwise defined shall have the meanings given to them in the Employment Agreement.

2. POSITION AND DUTIES. During the continuance of the Employment Agreement the Executive shall not carry out any of his duties for the Company within the United Kingdom nor shall the Executive have the authority of the Company to, and the Executive shall not, enter into any legally binding obligation on behalf of the Company or any of its subsidiaries or affiliate within the United Kingdom except in the proper performance of his duties to Simon Global.

3. COMPENSATION AND OTHER BENEFITS.

3.1. BASE COMPENSATION. For purposes of the Employment Agreement, upon commencement of the Employee's employment with Simon Global, the Employee's Base Salary for purposes of the Employment Agreement shall be \$362,800 per annum, provided that upon the termination of the Employee's employment with Simon Global, the Base Salary for purposes of the Employment Agreement shall be \$762,000 per annum, such Base Salary to be subject to increase from time to time by the Board. The Board shall review the Executive's annual Base Salary no less frequently than annually to determine whether any such increase should be made. The Base Salary shall be payable in accordance with the payroll policies of the Company as from time to time in effect, less such amounts as shall be required to be deducted or withheld therefrom by applicable law and regulations.

3.2. GENERAL BUSINESS EXPENSES. During the period that the Executive is employed by Simon Global, the Company shall no longer be required to provide the Executive with a car and driver as contemplated by Section 2.5 of the Employment Agreement or to receive executive secretarial and other administrative assistance as contemplated by Section 2.8 of the Employment Agreement, provided that upon termination of the Executive's employment with Simon Global, the amendments to Section 2.5 and Section 2.8 of the Employment Agreement as described in this Section 3.2 shall immediately cease to have any force and effect and the Company's obligations to the Executive shall be as set forth in such provisions of the Employment Agreement without reference to this First Amendment.

3.3. FRINGE BENEFITS. The Executive and the Company acknowledge that the Company does not have an aircraft for purposes of Section 2.8 of the Employment Agreement. Therefore all references to the Executive's entitlement to use of an aircraft in such Section 2.8 shall be deleted. Should the Company at some subsequent date acquire an aircraft for use by its executive officers generally, then the Executive shall be afforded an opportunity to use such aircraft (subject to availability) for the purpose of carrying out his duties hereunder. During the Term, the Executive shall be entitled to five (5) weeks of vacation per calendar year which shall be taken by the Executive concurrently with, but not in addition to, the vacation days to which the Executive is entitled under his employment arrangement with Simon Global.

4. COVENANTS. NON-COMPETITION. Section 3.1 of the Employment Agreement is hereby deleted, and the following clause is hereby inserted in its place:

4.1. COVENANTS AGAINST COMPETITION. The Executive acknowledges that (i) the Company and its subsidiaries and affiliates are engaged in the business of shopping center and other retail project acquisition, ownership, financing, leasing, operation and development in the United States, Europe, the Far East and Latin America (the "Business"); (ii) the Company's Business is conducted by the Company and its subsidiaries and affiliates in various markets throughout the United States, Europe, the Far East and Latin America; (iii) his employment with the Company will have given him access to confidential information concerning the Company and its subsidiaries and affiliates and the Business; and (iv) the agreements and covenants contained in this Agreement are essential to protect the business and goodwill of the Company and its subsidiaries and affiliates. Accordingly, the Executive covenants and agrees as follows:

(a) NON-COMPETE. Without the prior written consent of the Board, the Executive shall not directly (except in the Executive's capacity as an officer of the Company or any of its subsidiaries or affiliates), during the Restricted Period (as defined below) within any metropolitan area in which the Company, its parent, subsidiaries or affiliates is engaged directly or indirectly in the Business: (i) engage or participate in the Business; (ii) enter the employ of, or render any services (whether or not for a fee or other compensation) to, any person engaged in the Business; or (iii) acquire an equity interest in any such person in any capacity; provided, that the foregoing restrictions shall not apply at any time if the Executive's employment is terminated during the Term by the Executive for Good Reason (as defined below) or by the Company without Cause (as defined below); provided, further, that during the Restricted Period the Executive may own, directly or indirectly, solely as a passive investment, securities of any company traded on any national or international securities exchange, including the National Association of Securities Dealers Automated Quotation System. As used herein, the "Restricted Period" shall mean the period commencing on the date of termination of this Agreement and ending on the first anniversary of such termination date.

(b) CONFIDENTIAL INFORMATION; PERSONAL RELATIONSHIPS. The Executive acknowledges that the Company has a legitimate and continuing proprietary interest in the protection of its confidential information and has invested substantial sums and will continue to invest substantial sums to develop, maintain and protect confidential information. The Executive agrees that, during and after the Restricted Period, without the prior written consent of the Board of Directors of the Company the Executive shall keep secret and retain in strictest confidence, and shall not knowingly use for the benefit of himself or others all confidential matters relating to the Company's Business or the Company, its subsidiaries or affiliates including, without limitation, operational methods, marketing or development plans or strategies, business acquisition plans, joint venture proposals or plans, and new personnel acquisition plans, learned by the Executive heretofore or hereafter (such information shall be referred to herein collectively as "Confidential Information"); provided, however, that nothing in this Agreement shall prohibit the Executive from disclosing or using any Confidential Information (A) in the performance of his duties hereunder, (B) as required by applicable law, regulatory authority, recognized subpoena power or any court of competent jurisdiction, (C) in connection with the enforcement of his rights under this Agreement or any other agreement with the Company, or (D) in connection with the defense or settlement of any claim, suit or action brought or threatened against the Executive by or in the right of the Company. Notwithstanding any provision contained herein to the contrary, the term "Confidential Information" shall not be deemed to include any general knowledge, skills or experience acquired by the Executive or any knowledge or information known or available to the public in general (other than as a result of a breach of this provision by the Executive). Moreover, the Executive shall be permitted to retain copies of, or have access to, all such Confidential Information relating to any disagreement, dispute or litigation (pending or threatened) involving the Executive.

(c) EMPLOYEE OF THE COMPANY AND ITS AFFILIATES. During the Restricted Period, without the prior written consent of the Board of Directors of the Company, the Executive shall not, directly or indirectly, hire or solicit, or cause others to hire or solicit, for employment by any person other than the Company or any subsidiary or affiliate or successor thereof, any employee of, or person employed within the two years preceding the Executive's hiring or solicitation of such person by, the Company and its subsidiaries or affiliates or successors or encourage any such employee to leave his employment. For this purpose, any person whose employment has been terminated involuntarily by the Company or any subsidiary or affiliate or successor thereof (or any predecessor of the Company) shall be excluded from those persons protected by this Section 3.1(c) for the benefit of the Company.

(d) BUSINESS RELATIONSHIP. During the Restricted Period, the Executive shall not, directly or indirectly, request or advise a person that has a business relationship with the Company or any subsidiary or affiliate or successor thereof to curtail or cancel such person's business relationship with such Company.

5. NOTICES. The contact details for purposes of Section 6.1 of the Employment Agreement shall be as follows:

If to the Company, to:

Simon Property Group, Inc.
115 West Washington Street
Indianapolis, IN 46204
Attn: Chief Executive Officer

If to the Executive, to:

Hans C. Mautner
8 Cadogan Square
London SW1 England

6. The following directorship is hereby added to Schedule I of the Employment Agreement:

Destination Europe, Limited

7. The following directorship is hereby deleted from Schedule I of the Employment Agreement:

Bank Julius Baer & Co. Ltd. U.S. Advisory Board

8. GOVERNING LAW. This Agreement shall be governed and construed in accordance with the laws of the State of New York.

9. EFFECT. Other than as explicitly set forth herein, all provisions of the Employment Agreement shall remain in full force and effect in accordance with their terms.

10. TERMINATION. Upon the termination of the Executive's employment with Simon Global, all terms and conditions of the Employment Agreement, save and except those modifications to Section 2.8 and 3.1 described in this First Amendment, shall be deemed reinstated and binding upon the Company and the Executive.

IN WITNESS WHEREOF, the parties have executed this First Amendment effective for all purposes as of the date first above written.

SIMON PROPERTY GROUP, INC.

By: /s/ David Simon

David Simon, Chief Executive Officer

/s/ Hans C. Mautner

HANS C. MAUTNER

EMPLOYMENT AGREEMENT

This Employment Agreement is made and entered into by and among SIMON PROPERTY GROUP, Inc., a Maryland corporation (the "Parent"), SIMON PROPERTY GROUP ADMINISTRATIVE SERVICES PARTNERSHIP, L.P., an indirect majority owned subsidiary of the Parent (the "Company") and RICHARD S. SOKOLOV (the "Executive"), as of March 26, 1996, and made effective as of the Effective Date, as defined in Section 3.1 hereof, subject to Section 3.2 hereof.

WHEREAS, Executive previously served as President and Chief Executive Officer of DeBartolo Realty Corporation ("DC") and DeBartolo Properties Management, Inc. ("DC SUB")'

WHEREAS, pursuant to the Agreement and Plan of Merger (the "Merger Agreement") dated as of March 26, 1996 among the Parent, DAY Acquisition Corp. and DC, DC will, as of the Effective Date, become a wholly-owned subsidiary of the Parent (the "Merger");

WHEREAS, each of the Parent and the Company considers it essential to its best interests and the best interests of its stockholders to foster the continued employment of Executive by the Parent and the Company from and after the Effective Date;

WHEREAS, Executive is willing so to continue his employment on the terms hereinafter set forth in this Agreement (the "Agreement"); and

WHEREAS, Executive has agreed that from and after the Effective Date, this Agreement shall supersede in all respects the Employment Agreement among DC, DC SUB and the Executive dated as of April 15, 1994 (the "Prior Agreement") and any other agreements, arrangements or understandings relating to the subject matter hereof.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein and for other good and valuable consideration, the parties agree as follows:

ARTICLE I

EXECUTIVE REPRESENTATIONS

1.1 EXECUTIVE REPRESENTATIONS AND AGREEMENT

(a) Executive represents and warrants that, as of the date hereof and as of the Effective Date, no event has occurred that constitutes grounds for "Good Reason" under the Prior Agreement and Executive agrees and acknowledges that as of the Effective Date (i) this Agreement shall supersede the Prior Agreement in all respects and (ii) except as otherwise expressly provided in this Agreement, neither the Executive nor the Parent, the Company or their affiliates shall have any further rights, claims or obligations under any provisions of the Prior Agreement or any other existing agreements, arrangements or understandings relating to the subject matter hereof.

(b) Executive represents and warrants to the Parent and the Company, that to the best of his knowledge, neither the execution and delivery of this Agreement nor the performance of his duties hereunder violates or will violate the provisions of any other agreement to which he is a party or by which he is bound.

ARTICLE II

EMPLOYMENT, DUTIES AND RESPONSIBILITIES

2.1 EMPLOYMENT. During the term of Executive's employment hereunder, Executive shall serve as the President and Chief Operating Officer of the Parent and agrees to serve, if elected, for no additional compensation as a trustee or director of the Parent and/or in the position of officer, trustee or director of any subsidiary or affiliate of the Parent. Executive hereby accepts such employment. Executive agrees to devote his full time and efforts to promote the interests of the Parent and its affiliates. In addition, during the term of Executive's employment hereunder, the Parent shall use its best efforts to nominate Executive for election to, and to cause Executive to be elected to, the Board of Directors of Parent (the "Board") and to the Executive Committee of the Board and shall nominate Executive for re-election to the Board at each annual meeting of the Parent's shareholders at which directors of the Parent are to be elected.

2.2 DUTIES AND RESPONSIBILITIES. During the term of Executive's employment hereunder, Executive shall perform such duties and exercise such supervision and authority over and with regard to the business of the Parent as are similar in nature to those duties and services customarily associated with the position of President and Chief Operating Officer, including authority, subject to the oversight of the Chief Executive Officer of the Parent and the Board, with respect to the day-to-day operations of the Parent, and development and implementation of business strategies. In exercising such authority the Executive shall routinely consult with, and report directly and only to the Chief Executive Officer of the Parent and the Board.

2.3 BASE OF OPERATION. Executive's principal base of operation for the performance of his duties and responsibilities under this Agreement shall initially be in Youngstown, Ohio; PROVIDED, HOWEVER that Executive shall perform such duties and responsibilities not involving a permanent transfer of his base of operation outside of Youngstown, Ohio at such other places as shall from time to time be reasonably necessary to fulfill his obligations hereunder; and PROVIDED FURTHER that, at any time after the first anniversary of the Effective Date, the Executive may, if requested by the Chief Executive Officer of Parent, be required to devote at least a majority of his business time to duties performed by Executive at the Parent's corporate offices in Indianapolis, Indiana.

ARTICLE III

TERM, EFFECTIVENESS

3.1 TERM. The term of this Agreement (the "Term") shall commence as of the closing date of the merger contemplated by Section 1.2 of the Merger Agreement (the "Effective Date") and shall continue for a period of one year thereafter; PROVIDED, HOWEVER, that the Term shall be automatically renewed for successive one-year periods on each of the first two anniversaries of the Effective Date unless either party hereto gives at least 90 days prior written notice to the other of its election not to so renew the Term. Unless earlier terminated by either party as described in the immediately preceding sentence or pursuant to Article VI below, the Term shall expire on the third anniversary of the Effective Date.

3.2 EFFECTIVENESS. Except for the representations and warranties made by Executive in Section 1.1 above which shall be deemed effective as of the date hereof, this Agreement shall become effective only upon the Effective Date. In the event the Merger Agreement is terminated for any reason without the Effective Time (as defined therein) having occurred, this Agreement shall be terminated without further obligation or liability of either party.

ARTICLE IV

COMPENSATION AND EXPENSES

4.1 SALARY, BONUSES AND BENEFITS. As compensation and consideration for the performance by Executive of his obligations under this Agreement, Executive shall be entitled to the following (subject, in each case, to the provisions of ARTICLE VI hereof):

(a) BASE SALARY. The Company shall pay Executive a base salary during the Term, payable in accordance with the normal payment procedures of the Company, at the rate of \$508,500 per annum. The Parent and the Company agree to review such compensation not less frequently than annually during the Term.

(b) RETIREMENT, WELFARE AND OTHER BENEFITS. Executive shall participate during the Term in such pension, savings, profit sharing, life insurance,

health, disability and major medical insurance plans, and in such other employee benefit plans and programs, for the benefit of the employees of the Parent and its affiliates, as may be maintained from time to time during the Term, in each case to the extent and in the manner available to other officers of the Parent and subject to the terms and provisions of such plans or programs. In addition, Executive will be afforded the same indemnity provisions regarding directors and officers liability that the parent provides to its other senior executive officers and directors and Executive will be covered by any directors and officers liability policy generally in force for the Parent's senior executive officers and directors.

(c) EQUITY ARRANGEMENTS.

(i) Executive shall participate during each calendar year during the Term commencing with fiscal year 1999, in the Parent's stock and performance incentive plans (or such plans of the Parent's affiliates maintained for the benefit of other officers of Parent) on the same basis as is made available to other executives of the Parent; it being understood that Executive's entitlement to performance based compensation in respect of fiscal years 1996, 1997 and 1998 shall be as set forth in Section 4.1(c)(iii)(2) and (3) below.

(ii) Executive and the Parent hereby acknowledge and agree that the Deferred Stock award with respect to 15,868 shares of DC's common stock granted to Executive under the DC 1994 Stock Incentive Plan (the "DC Incentive Plan") in connection with DC's initial public offering which will not have vested prior to the Effective Date shall be deemed fully vested immediately prior to the Effective Date, such shares to be converted into shares of common stock of Parent pursuant to the Merger Agreement.

(iii) Executive and Parent hereby acknowledge and agree that with respect to the Long-Term Incentive Deferred Stock award relating to 533,000 shares of DC's common stock previously granted to Executive under the DC Incentive Plan, of which 35,534 shares have previously vested and been issued:

(1) an aggregate of 97,616 shares of DC common stock, (relating to 1994 and 1995 fiscal year performance) shall be deemed fully vested immediately prior to the Effective Date, such shares to be converted into shares of common stock of Parent pursuant to the Merger Agreement; PROVIDED that if Executive determines that such vesting would result in the imposition of any excise tax on Executive under Section 4999 of the Internal Revenue Code of 1986, as amended, at Executive's request, Parent will provide that such shares will be deemed to vest over a period of time, as agreed by Parent and Executive, in consideration of Executive's future performance of services so as to avoid the imposition of any such excise tax by the Executive;

(2) 106,600 shares of DC common stock (relating to 1996 fiscal year performance), subject to conversion into shares of common stock of Parent pursuant to the Merger Agreement, will no longer be subject to vesting on the basis of performance but will vest, subject to Executive's continued

employment with the Parent, in equal 1/3 portions on each of the first, second and third anniversaries of the Effective Date; and

(3) the remaining 293,150 shares of DC common stock, 133,250 relating to 1997 fiscal year performance and 159,900 shares relating to 1998 fiscal year performance, shall be converted into shares of common stock of Parent pursuant to the Merger Agreement and shall be earned upon the Parent's achievement of Funds From Operations growth targets for fiscal years 1997 and 1998, respectively, established by the committee then administering the DC Incentive Plan which, as provided in Section 5.12 of the Merger Agreement, shall not exceed \$2.58 per share for fiscal year 1997 and \$2.79 per share for fiscal year 1998, (the "FFO Targets"), calculated in a manner consistent with that proposed by the National Association of Real Estate Investment Trusts. Once earned, such shares shall vest, subject to Executive's continued employment with the Parent, in equal 1/3 portions on each of the first three April 1sts that occur after the last day of the fiscal year to which such earned shares relate.

(d) BONUS OPPORTUNITY. Executive shall participate during the Term in the Parent's (or its affiliates') annual cash bonus plan for senior executives of the Parent as in effect from time to time, with a maximum annual bonus for each year during the Term equal to at least 75% of Executive's base salary.

(e) VACATION. Executive shall be entitled to a reasonable paid vacation period (but not necessarily consecutive vacation weeks) during the Term.

(f) CAR LEASE ASSIGNMENT. Parent shall assign or cause to be assigned to Executive the existing automobile lease relating to the automobile currently made available to Executive by DC; PROVIDED that Executive shall reimburse Parent for any costs incurred by Parent or its affiliates in connection with such assignment.

4.2 EXPENSES. The Parent will reimburse, or will cause the Company to reimburse, Executive for reasonable business-related expenses incurred by him in connection with the performance of his duties hereunder during the Term, subject, however, to the Parent's and the Company's policies relating to business-related expenses as in effect from time to time during the Term.

ARTICLE V

EXCLUSIVITY, ETC.

5.1 EXCLUSIVITY. Executive agrees to perform his duties, responsibilities and obligations hereunder efficiently and to the best of his ability. Executive agrees that he will devote his entire working time, care and attention and best efforts to such duties, responsibilities and obligations throughout the Term. Executive also agrees that he will not engage in any other business activities, whether charitable or pursued for gain, profit, other pecuniary advantage or otherwise, that are competitive with the activities of the Parent or its affiliates or that would adversely

effect Executive's ability to perform his duties hereunder. Executive agrees that all of his activities as an employee and/or trustee or director of the Parent or its affiliates shall be in conformity with all present and future policies, rules and regulations and directions of the Parent and its affiliates not inconsistent with this Agreement.

5.2 OTHER BUSINESS VENTURES. Executive agrees that for so long as he is employed by the Parent, and for a period of one year thereafter, he will not, directly or indirectly, become an employee, shareholder, owner, officer, agent, director of, or otherwise associate with, any firm, person, business enterprise or other entity which is engaged in or competitive with, any business engaged in by the Parent or its affiliates. Notwithstanding the foregoing, Executive may own, directly or indirectly, up to 5% of the outstanding capital stock of any business having a class of capital stock which is traded on any national stock exchange or in the over-the-counter market.

5.3 CONFIDENTIALITY; NON-SOLICITATION. (a) Executive agrees that he will not, at any time during or after the Term, make use of or divulge to any other person, firm, business enterprise or other entity, any trade or business secret, process, method or means, or any other confidential information concerning the business or policies of the Parent or its affiliates including, without limitation, any information, data, or other confidential information relating to customers, development programs, costs, marketing, trading, investment, sales activities, promotion, credit and financial data, manufacturing processes, financing methods, plans or the business and affairs of the Parent or its affiliates generally; PROVIDED that the foregoing shall not apply to information which is not unique to the Parent or its affiliates or which is generally known to the industry or the public other than as a result of the Executive's breach of this covenant. Executive agrees not to remove from the premises of the Parent or its affiliates, except as an employee of the Parent or its affiliates in pursuit of the business of the Parent or its affiliates or except as specifically permitted in writing by the Parent, any document or other object containing or reflecting any such confidential information. Executive recognizes that all such documents and objects, whether developed by him or by someone else, will be the sole exclusive property of the Parent and its affiliates. Upon termination of his employment hereunder, Executive shall forthwith deliver to the Parent all such confidential information, including without limitation all lists of customers, correspondence, accounts, records and any other documents or property made or held by him or under his control in relation to the business or affairs of the Parent or its affiliates, and no copy of any such confidential information shall be retained by him.

(b) Executive agrees that for so long as he is employed by the Parent and for a period of one year thereafter, Executive shall not, directly or indirectly, whether as an employee, consultant, independent contractor, partner, joint venturer or otherwise, (A) solicit or induce, or in any manner attempt to solicit or induce, any person employed by, or as agent of, the Parent or its affiliates to terminate such person's contract of employment or agency, as the case may be, with the Parent or its affiliates, (B) employ or offer employment to any person who was employed by the Parent or its affiliates in other than a purely administrative capacity unless such person shall have ceased to be employed by the Parent or its affiliates for

a period of at least 12 months, or (C) divert, or attempt to divert, any person, concern, or entity from doing business with the Parent or its affiliates, nor will he attempt to induce any such person, concern or entity to cease being a customer or supplier of the Parent or its affiliates.

(c) Executive agrees that, at any time and from time to time during and after the Term, he will execute any and all documents which the Parent may deem reasonably necessary or appropriate to effectuate the provisions of this Section 5.3.

5.4 SPECIFIC PERFORMANCE. Executive acknowledges and agrees that the Parent's remedies at law for a breach or threatened breach of any of the provisions of this Article V would be inadequate and, in recognition of this fact, Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Parent, without posting any bond, shall be entitled to seek equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available.

ARTICLE VI

TERMINATION

6.1 TERMINATION BY THE PARENT. The Parent shall have the right to terminate this Agreement and Executive's employment hereunder at any time during the Term with or without "Cause." For purposes of this Agreement, "Cause" shall mean (i) a substantial and continued failure by Executive to perform his duties hereunder or (ii) Executive's conviction of a felony; PROVIDED that no termination for Cause as a result of any of the events described in clause (i) shall be deemed effective unless and until the Parent shall have provided Executive with written notice specifying in detail the action(s) or event(s) allegedly constituting grounds for the Cause termination and the Executive shall have failed to cure such action(s) or event(s) within 10 days of receipt of such notice. Any such termination without cause or due to Executive's conviction of a felony shall be effective upon the giving of notice thereof to Executive in accordance with Section 7.3 hereof, and any termination which is based on any of the action(s) or events(s) described in clause (i) shall be effective as of the 10th day following Executive's receipt of such notice if Executive shall have failed to cure the applicable action(s) or event(s).

6.2 DEATH. In the event Executive dies during the Term, this Agreement shall automatically terminate, such termination to be effective on the date of Executive's death.

6.3 DISABILITY. In the event that Executive shall suffer a disability during the Term which shall have prevented him from performing satisfactorily his obligations hereunder for a period of at least 90 consecutive days, the Parent shall have the right to terminate this Agreement and Executive's employment hereunder, such termination to be effective upon the giving of notice thereof to Executive in accordance with Section 7.3 hereof.

6.4 TERMINATION BY EXECUTIVE FOR GOOD REASON. This Agreement and Executive's employment hereunder may be terminated during the Term by Executive with or without Good Reason, by giving 30 days advance written notice to the Parent in accordance with Section 7.3. For purposes of this Agreement, the following circumstances shall constitute "Good Reason":

(a) the assignment to Executive of any duties inconsistent in any material respect with Executive's position (including status, offices, titles and reporting requirements), or with his authority, duties or responsibilities as contemplated by Sections 2.1 and 2.2 of this Agreement, or any other action by the Parent or its successor which results in a material diminution or material adverse change in Executive's titles, position, status, authority, duties or responsibilities (including, without limitation, removal of Executive from, or failure to secure the Executive's election or appointment to, the Board or the Executive Committee of the Board without the Executive's written consent during any period when the number of directors constituting the entire Board equals or exceeds 13, other than as a result of Executive's death or disability);

(b) any material breach by the Parent or its successor of the provisions of this Agreement;

(c) any failure by the Parent to comply with and satisfy Section 7.2(b) of this Agreement; or

(d) a relocation of Executive's principal base of operation to any location other than Youngstown, Ohio during the term of Executive's employment hereunder; PROVIDED that the requirement that Executive devote at least a majority of his business time to duties performed at the Parent's corporate offices in Indianapolis, Indiana at any time after the first anniversary of the Effective Date shall not constitute a relocation of Executive's principal base of operation for purposes of this Agreement;

PROVIDED that no termination by Executive for Good Reason shall be deemed effective unless and until the Executive shall have provided the Parent with written notice specifying in detail the action(s) or event(s) allegedly constituting grounds for the Good Reason termination and the Parent shall have failed to cure such action(s) or event(s) within 10 days of receipt of such notice.

6.5 EFFECT OF TERMINATION.

(a) In the event of termination of this Agreement during the Term by either party for any reason, or by reason of the Executive's death, the Company shall pay to Executive (or his beneficiary in the event of his death) any base salary earned but not paid to Executive prior to the effective date of such termination, together with any other earned and currently payable, but then unpaid, compensation.

(b) In the event of the termination of this Agreement during the Term (i) by the Parent without Cause (other than due to Executive's death or

disability), (ii) by Executive for Good Reason or (iii) by reason of the Parent's election not to renew the Term through the third anniversary of the Effective Date as provided in Section 3.1 hereof (each, a "Wrongful Termination"), the Company shall pay to Executive, in addition to the amounts described in Section 6.5(a) hereof, an amount equal to one-year's then current base salary and bonus, in twelve equal monthly installments following the date of such termination (the "Cash Severance"). For this purpose, Executive's then current bonus shall be Executive's maximum target bonus for the Parent's fiscal year within which such termination occurs. In addition, the deferred stock award shares described in Section 4.1(c)(iii)(2) shall (to the extent not then vested) be deemed fully vested as of the date of such termination of employment and (x) the deferred stock award shares described in Section 4.1(c)(iii)(3) which have been earned as of the date of such termination, if any, shall (to the extent not then vested) be deemed fully vested as of the date of such termination of employment and (y) the deferred stock award shares described in Section 4.1(c)(iii)(3) which are "deemed" earned as described in the next succeeding sentence shall be deemed fully vested as of the last day of the fiscal year in which such Wrongful Termination occurs. For purposes of this Section 6.5(b), deferred stock awards described in Section 4.1(c)(iii)(3) shall be "deemed" earned with respect to a fiscal year if the Wrongful Termination occurs after August 31 of such fiscal year and the FFO Targets for such fiscal year are subsequently determined to have been met.

(c) Unless otherwise agreed among the parties in writing, in the event of the termination of this Agreement due to the expiration of the Term (i) on the third anniversary of the Effective Date or (ii) as a result of Executive's notice to the Parent electing not to renew the Term pursuant to Section 3.1, Executive shall be entitled to no further benefits hereunder, other than those described in Section 6.5(a), and any continuation of Executive's employment with the Parent beyond the expiration of the Term shall be deemed an employment at will and shall not be deemed to extend any of the provisions of this Agreement, and Executive's employment may thereafter be terminated at will by Executive or the Parent; PROVIDED that (x) if Executive shall remain employed with the Parent through the third anniversary of the Effective Date and Executive shall resign his employment upon the expiration of the Term due to the Parent's failure to offer Executive continued employment with the Parent for at least an additional one year period (the "Extension Period") on terms substantially equivalent in all material respects to those set forth in this Agreement (other than principal base of operation for performance), including, without limitation, each of the termination provisions set forth in this Section 6.5 (including this Section 6.5(c) which shall apply at the expiration of the Extension Period should Executive remain employed by the Parent through the conclusion of such Extension Period) (such terms of continued employment being hereinafter referred to a "Substantially Equivalent Terms"), then such resignation shall be treated under this Agreement as a Wrongful Termination and the provisions of Section 6.5(b) shall apply and (y) if the Executive shall remain employed with the Parent through the third anniversary of the Effective Date and the Executive shall resign his employment upon the expiration of the Term due to the Parent's offer to Executive of continued employment on Substantially Equivalent Terms but which would require Executive's relocation to an area outside of Youngstown, Ohio, then Executive shall be entitled to elect, by delivery of written notice to the Parent coincident with; or within 15 days

following, such resignation of employment, EITHER (A) to cause the Parent to provide that the vesting of the deferred stock award shares described in Section 4.1(c)(iii)(2) and Section 4.1(c)(iii)(3) shall be accelerated in the same manner and to the same extent described in Section 6.5(b) or (B) to require that the Company pay Executive the Cash Severance.

(d) In the event of Executive's termination of employment by Parent due to Executive's disability or as a result of Executive's death, in addition to Executive's entitlement to the amounts described in Section 6.5(a), the vesting of the deferred stock award shares described in Section 4.1(c)(iii)(2) and Section 4.1(c)(iii)(3) shall be accelerated in the same manner and to the same extent described in Section 6.5(b).

(e) Except as expressly provided in this Article VI, the Parent shall have no further obligations to Executive under this Agreement following Executive's termination of employment with the Parent. Any other benefits due Executive following Executive's termination of employment with the Parent shall be determined in accordance with the plans, policies and practices of the Parent; PROVIDED that any severance benefits otherwise payable to Executive in connection with Executive's termination of employment under any plan or policy of the Parent or its affiliates shall be reduced by the aggregate amount payable to Executive pursuant to Section 6.5(b).

(f) Upon the termination of Executive's employment with the Parent for any reason, Executive agrees to promptly resign, effective as of the date of such termination of employment, from the Board (and any committee thereof) as well as from participation as a member of the Board of Directors or trustee or committee member of any of the Parent's affiliates and will take all action reasonably requested by the Parent in order to evidence such resignation.

ARTICLE VII

MISCELLANEOUS

7.1 LIFE INSURANCE. Executive agrees that the Parent and/or its affiliates may apply for and secure and own insurance on Executive's life (in amounts determined by the Parent or its affiliates). Executive agrees to cooperate fully in the application for and securing of such insurance, including the submission by Executive to such physical and other examinations, and the answering of such questions and furnishing of such information by Executive, as may be required by the carrier(s) of such insurance. Notwithstanding anything to the contrary contained herein, the Parent and its affiliates shall not be required to obtain any insurance for or on behalf of Executive, except as provided in Section 4.1(b) hereof.

7.2 BENEFIT OF AGREEMENT: ASSIGNMENT: BENEFICIARY.

(a) This Agreement shall inure to the benefit of and be binding upon the Parent, the Company and its successors and assigns, including

without limitation, any corporation or person which may acquire all or substantially all of the Parent's assets or business, or with or into which the Parent may be consolidated or merged. This Agreement shall also inure to the benefit of, and be enforceable by, the Executive and his personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If Executive should die while any amount would still be payable to the Executive pursuant to Section 6.5(a), all such amounts shall be paid in accordance with the terms of this Agreement to the Executive's beneficiary, devisee, legatee or other designee, or if there is no such designee, to the Executive's estate.

(b) The Parent shall require any successor (whether direct or indirect, by operation of law, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Parent to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Parent would be required to perform it if no such succession had taken place.

7.3 NOTICES. Any notice required or permitted hereunder shall be in writing and shall be sufficiently given if personally delivered or if sent by telegram or telex or by registered or certified mail, postage prepaid, with return receipt requested, addressed: (a) in the case of the Parent to its principal corporate offices in Indianapolis, Indiana, Attention: GENERAL COUNSEL, or to such other address and/or to the attention of such other person as the Parent shall designate by written notice to Executive; and (b) in the case of Executive, to the then most current address of the Executive as recorded in the personnel records of the Parent, or to such other address as Executive shall designate by written notice to the Parent. Any notice given hereunder shall be deemed to have been given at the time of receipt thereof by the person to whom such notice is given.

7.4 ENTIRE AGREEMENT: AMENDMENT.

(a) As of the Effective Date, this Agreement shall constitute the entire agreement of the parties hereto with respect to the terms and conditions of Executive's employment during the Term and supersede any and all prior agreements and understandings, whether written or oral, between the parties hereof with respect to compensation due for services rendered hereunder. Executive, the Parent and the Company further hereby expressly agree that from and after the Effective Date, (i) this Agreement shall supersede the Prior Agreement in all respects, (ii) Executive's rights with respect to the vesting and payment of awards under the DC Incentive Plan shall be limited to those expressly provided in Section 4.1(c), and (iii) neither the Executive nor the Parent or its affiliates shall have any further rights, claims or obligations under any provisions of the Prior Agreement or any then existing agreements, arrangements or understandings relating to the subject matter hereof.

(b) This Agreement may not be changed or modified except by an instrument in writing signed by both of the parties hereto.

7.5 WAIVER. The waiver by either part of a breach of any provision of this Agreement shall not operate or be construed as a continuing waiver or as a consent to or waiver of any subsequent breach hereof.

7.6 HEADINGS. The Article and Section headings are for convenience of reference only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

7.7 GOVERNING LAW. This Agreement shall be governed by, and construed and interpreted in accordance with, the internal laws of the State of Indiana without reference to the principles of conflict in laws.

7.8 AGREEMENT TO TAKE ACTIONS. Each party hereto shall execute and deliver such documents, certificates, agreements and other instruments, and shall take such actions, as may be reasonably necessary or desirable in order to perform his or its obligations under this Agreement or to effectuate the purposes hereof.

7.9 ARBITRATION. Except for disputes with respect to Article V hereof, any dispute between the parties hereto respecting the meaning and intent of this Agreement or any of its terms and provisions shall be submitted to arbitration in Indianapolis, Indiana in accordance with the Commercial Rules of the American Arbitration Association then in effect, and the arbitration determination resulting from any such submission shall be final and binding upon the parties hereto. Judgment upon any arbitration award may be entered in any court of competent jurisdiction.

7.10 ATTORNEYS' FEES. In the event of any arbitration or legal proceeding between the parties hereto arising out of the subject matter of this Agreement, including any such proceeding to enforce any right or provision hereunder, which proceeding shall result in the rendering by an arbitration panel or court of a decision in favor of Executive, the Parent shall pay to Executive all costs and expenses incurred therein by Executive, including, without limitation, reasonable attorneys' fees, which costs, expenses and attorneys' fees shall be included in and as a part of any award or judgment rendered in such arbitration or legal proceeding.

7.11 NOTIFICATION REQUIREMENT. During the term of Executive's employment hereunder and for the one year period following Executive's termination of employment with the Parent for any reason, the Executive shall give notice to the Parent of any change in the Executive's address and of each new employment that the Executive plans to undertake, at least seven (7) days prior to beginning any such new employment. Such notice shall state the nature of the new employment, the name and address of the person for whom such new employment is undertaken and the Executive shall provide the Parent with such other pertinent information concerning such new employment as the Parent may reasonably request in order to determine the Executive's continued compliance with the Executive's obligations under Article V.

7.12 WITHHOLDING TAXES. The Parent and its affiliates may withhold from any amounts payable under this Agreement such Federal, state and local taxes as

are required to be withheld pursuant to any applicable law or regulation and the Parent and its affiliates shall be authorized to take such action as may be necessary in the opinion of the Parent's counsel (including, without limitation, withholding amounts from any compensation or other amount owing from the Parent (or its affiliates) to the Executive) to satisfy all obligations for the payment.

7.13 SURVIVORSHIP. The respective rights and obligations of the parties hereunder shall survive any termination of this Agreement to the extent necessary to the intended preservation of such rights and obligations.

7.14 VALIDITY. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision or provisions of this Agreement, which shall remain in full force and effect.

7.15 COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Agreement as of this 26 day of March, 1996.

SIMON PROPERTY GROUP, INC.

By /s/ David Simon

Name: DAVID SIMON
Title: PRESIDENT

SIMON PROPERTY GROUP
ADMINISTRATIVE
SERVICES PARTNERSHIP, L.P.

By its General Partner:

M.S. MANAGEMENT ASSOCIATES
(INDIANA), INC.

By: /s/ David Simon

Name: DAVID SIMON
Title: PRESIDENT

/s/ Richard S. Sokolov

RICHARD S. SOKOLOV

Agreed and acknowledged
as of the date first above
written.

DEBARTOLO REALTY CORPORATION

By: /s/ Kim A. Rieck

Name: KIM A. RIECK
Title: SENIOR VICE PRESIDENT

DEBARTOLO PROPERTIES MANAGEMENT, INC.

By: /s/ Kim A. Rieck

Name: KIM A. RIECK
Title: SENIOR VICE PRESIDENT

EXHIBIT 21.1

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
DeBartolo Properties Management, Inc.	Ohio
Mayflower Realty LLC	Delaware

Omits names of subsidiaries which as of December 31, 2000 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 (formerly Simon DeBartolo Group, L.P.) previously filed Registration Statement File No. 333-33545-01 and 333-56656.

ARTHUR ANDERSEN LLP

Indianapolis, Indiana,
March 27, 2001.