UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 1998

Commission file number 333-11491

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

Delaware	34-1755769
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
115 West Washington Street Indianapolis, Indiana	46204
(Address of principal executive offices)	(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 are incorporated by reference in Part III.

SIMON PROPERTY GROUP, L.P.
Annual Report on Form 10-K
December 31, 1998

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Part I

Item 1. Business

Background

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, formerly known as Simon DeBartolo Group, Inc. 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 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 beneficial interest in 1/100th of 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, 1998, the SPG Operating Partnership owned or held an interest in 240 income-producing properties, which consist of 152 regional malls, 77 community shopping centers, three specialty retail centers, five office and mixed-use properties and three value-oriented super-regional malls in 35 states (the "Properties"). The SPG Operating Partnership also owned interests in one regional mall, one value-oriented super-regional mall, one specialty center and three community centers currently under construction and eleven parcels of land held for future development (collectively, the "Development Properties", and together with the Properties, the "Portfolio Properties"). At December 31, 1998 and 1997, the Companies' direct and indirect ownership interests in the Operating Partnerships were 71.6% and 63.9%, respectively. The SPG Operating Partnership also holds substantially all of the economic interest in M.S. Management Associates, Inc. (the "Management Company"). The Management Company manages Properties generally not wholly-owned by the SPG Operating Partnership and certain other properties, and also engages in certain property development activities. The SPG Operating Partnership also holds substantially all of the economic interest in, and the Management Company holds substantially all of the voting stock of, DeBartolo Properties Management, Inc. ("DPMI"), which provides architectural, design, construction and other services to substantially all of the Portfolio Properties, as well as certain other regional malls and community shopping centers owned by third parties.

The CPI Merger

For financial reporting purposes, as of the close of business on September 24, 1998, pursuant to the Agreement and Plan of Merger dated February 18, 1998, Simon DeBartolo Group, Inc. ("SDG"), Corporate Property Investors, Inc. ("CPI"), and Corporate Realty Consultants, Inc ("CRC") combined their business operations (the "CPI Merger"). Pursuant to the terms of the CPI Merger, SPG Merger Sub, Inc., a substantially wholly-owned subsidiary of CPI, merged with and into SDG with SDG continuing as the surviving company. SDG became a majority-owned subsidiary of CPI. The outstanding shares of common stock of SDG were exchanged for a like number of shares of CPI. Beneficial interests in CRC were acquired for $14 million in order to pair the common stock of CPI with 1/100th of a share of common stock of CRC, the paired share affiliate.

Immediately prior to the consummation of the CPI Merger, the holders of CPI common stock were paid a merger dividend consisting of (i) $90 in cash, (ii) 1.0818 additional shares of CPI common stock and (iii) 0.19 shares of 6.50% Series B convertible preferred stock of CPI per share of CPI common stock. Immediately prior to the CPI Merger, there were 25,496,476 shares of CPI common stock outstanding. The aggregate value associated with the completion of the CPI Merger was approximately $5.9 billion including transaction costs and liabilities assumed.

In connection with the CPI Merger, CPI was renamed "Simon Property Group, Inc.". CRC was renamed "SPG Realty Consultants, Inc.". In addition SDG and 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, which consisted primarily of 23 regional malls, one community center, two office buildings and one regional mall under construction (other than one regional mall, Ocean County Mall, and certain net leased properties valued at approximately $153 million) and liabilities assumed (except that SPG remains a co-obligor with respect to the Merger Facility (see Note 9 to the financial statements)) of approximately $2.3 billion 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. The preferred partnership interests carry substantially the same economic terms and equal the number of preferred shares issued and outstanding as a direct result of the CPI Merger.

For additional information concerning the CPI Merger, please see Note 3 to the financial statements.

The DRC Merger

On August 9, 1996, the national shopping center business of DeBartolo Realty Corporation ("DRC") was acquired for an aggregate value of $3.0 billion (the "DRC Merger"). The acquired portfolio consisted of 49 regional malls, 11 community centers and 1 mixed-use Property. These Properties included 47,052,267 square feet of retail space gross leasable area ("GLA") and 558,636 of office GLA. Pursuant to the DRC Merger, SPG issued a total of 37,873,965 shares of common stock to the DRC shareholders. DRC became a 99.9% subsidiary of the SPG. SPG changed its name to "Simon DeBartolo Group, Inc." In addition, the Management Company purchased from The Edward J. DeBartolo Corporation all of the voting stock of DPMI, for $2.5 million in cash.

For additional information concerning the DRC Merger, please see Note 4 to the financial statements.

General

As of December 31, 1998, the SPG Operating Partnership owned or held interests in a diversified portfolio of 240 income-producing Properties, including 152 regional malls, 77 community shopping centers, three specialty retail centers, five office and mixed-use properties and three value-oriented super-regional malls located in 35 states. Regional malls (including specialty retail centers, and retail space in the mixed-use Properties), community centers and the remaining portfolio comprised 90.3%, 6.0%, and 3.7%, respectively of total consolidated rent revenues and tenant reimbursements in 1998. The value-oriented super-regional malls are not included in consolidated rent revenues and tenant reimbursements as they are all accounted for using the equity method of accounting. The Properties contain an aggregate of approximately 164.9 million square feet of GLA, of which 97.4 million square feet is owned by the SPG Operating Partnership ("Owned GLA"). More than 4,400 different retailers occupy more than 18,300 stores in the Properties. Total estimated retail sales at the Properties exceeded $31 billion in 1998.

Operating Strategies

The SPG Operating Partnership's primary business objectives are to increase per Unit cash generated from operations and the value of the Portfolio Properties and operations. 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.

Acquisitions. The SPG Operating Partnership intends to selectively acquire individual properties and portfolios of properties that meet its investment criteria as opportunities arise. Management believes that consolidation will continue to occur within the shopping center industry, creating opportunities for the SPG Operating Partnership to acquire additional portfolios of shopping centers and increase operating profit margins. Management also believes that its extensive experience in the shopping center business, access to capital markets, national operating scope, familiarity with real estate markets and advanced management systems will allow it to evaluate and execute acquisitions competitively. Additionally, the SPG Operating Partnership may be able to acquire properties on a tax- advantaged basis for the transferors.

Development. The SPG Operating Partnership's focus is to selectively develop new properties in major metropolitan areas that exhibit strong population and economic growth. During 1998, the SPG Operating Partnership opened two new community shopping centers. In March of 1998, the SPG Operating Partnership opened the approximately $13.3 million Muncie Plaza in Muncie, Indiana. The SPG Operating Partnership owns 100% of this 196,000 square-foot community center. In addition, phase I of the approximately $34.0 million Lakeline Plaza opened in April 1998 in Austin, Texas. Phase II of this 360,000 square-foot community center is scheduled to open in 1999. Each of these new community centers is adjacent to an existing regional mall property. In addition, The Shops at Sunset Place, a destination-oriented retail and entertainment project containing approximately 510,000 square feet of GLA opened in January of 1999 in South Miami, Florida. The SPG Operating Partnership owns a noncontrolling 37.5% of this specialty retail center.

Construction also continues on the following projects, which have an aggregate construction cost of approximately $620 million, the SPG Operating Partnership's share of which is approximately $347 million:

- Concord Mills, a 37.5%-owned value-oriented super regional mall project, containing approximately 1.4 million square feet of GLA, is scheduled to open in September of 1999 in Concord (Charlotte), North Carolina.

- The Mall of Georgia, an approximately 1.5 million square foot regional mall project, is scheduled to open in August of 1999. Adjacent to the regional mall, The Mall of Georgia Crossing is an approximately 444,000 square-foot community shopping center project, which is scheduled to open in October of 1999. Simon Group has a noncontrolling 50% ownership interest in each of these development projects.

- In addition to Mall of Georgia Crossing, two other new community center projects are under construction: The Shops at North East Plaza and Waterford Lakes at a combined 1,243,000 square feet of GLA.

The SPG Operating Partnership also has direct or indirect interests in eleven other parcels of land being held for future development in nine states totaling approximately 904 acres. Management believes the SPG Operating Partnership is well positioned to pursue future development opportunities as conditions warrant.

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. In 1998, the SPG Operating Partnership completed construction and opened nine new expansion and/or renovation projects: Aventura Mall in Miami, Florida; Castleton Square in Indianapolis, Indiana; Independence Center in Independence, Missouri; Irving Mall in Irving, Texas; Prien Lake Mall in Lake Charles, Louisiana; Richardson Square in Dallas, Texas; Tyrone Square in St. Petersburg, Florida; Walt Whitman Mall in Huntington, New York; and West Town Mall in Knoxville, Tennessee.

The SPG Operating Partnership has a number of renovation and/or expansion projects currently under construction, or in preconstruction development. The SPG Operating Partnership expects to commence construction on many of these projects in the next 12 to 24 months.

Competition

The SPG Operating Partnership believes that it has a competitive advantage in the retail real estate business as a result of (i) its use of innovative retailing concepts, (ii) its management and operational expertise, (iii) its extensive experience and relationship with retailers and lenders, (iv) the size, quality and diversity of its Properties and (v) the mall marketing initiatives of Simon Brand Ventures, which the SPG Operating Partnership believes is the world's largest and most sophisticated mall marketing initiative. Management believes that the Properties are the largest, as measured by GLA, of any publicly traded REIT, with more regional malls than any other publicly traded REIT. 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 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 limited concentrations or in limited areas. The presence of such asbestos-containing materials does not violate currently applicable laws. Asbestos-containing materials will be removed by the SPG Operating Partnership 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 such tanks have been or are being 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 have not been and are not expected to be material.

Properties to be Developed or Acquired. Land being 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, 6,300 persons at various centers and offices throughout the United States. Approximately 935 of such employees are located at the SPG Operating Partnership's headquarters in Indianapolis, Indiana, and approximately 1,075 of all employees are part-time.

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, 1998.

Name	Age	Position
Melvin Simon (1)	72	Co-Chairman
Herbert Simon (1)	64	Co-Chairman
David Simon (1)	37	Chief Executive Officer
Hans C. Mautner	60	Vice Chairman
Richard S. Sokolov	49	President and Chief Operating Officer
Randolph L. Foxworthy	54	Executive Vice President - Corporate Development
William J. Garvey	59	Executive Vice President - Property Development
James A. Napoli	52	Executive Vice President - Leasing
John R. Neutzling	46	Executive Vice President - Property Management
James M. Barkley	47	General Counsel; Secretary
Stephen E. Sterrett	43	Treasurer
John Rulli	42	Senior Vice President - Human Resources & Corporate Operations
James R. Giuliano, III	41	Senior Vice President

(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 SPG. The executive officers of SPG serve at the pleasure of the Board of Directors and have served in such capacities since the formation of SPG in 1993, with the exception of Mr. Mautner, who has held his office since the CPI Merger and Mr. Sokolov and Mr. Giuliano who have held their offices since the DRC Merger. 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 SPG. 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 SPG since its formation in 1993.

Mr. Garvey is the Executive Vice President - Property Development of SPG. 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 SPG. 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 SPG. 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 SPG's 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 SPG's Treasurer. He joined MSA in 1989 and has held various positions with MSA.

Mr. Rulli holds the position of Senior Vice President - Human Resources and Corporate Operations. He joined MSA in 1988 and has held various positions with MSA.

Mr. Giuliano has served as Senior Vice President since the DRC Merger. He joined DRC in 1993, where he served as Senior Vice President and Chief Financial Officer up to the DRC Merger.

Item 2. Properties

Portfolio Properties

The Properties primarily consist of two types: regional malls and community shopping centers. Regional malls 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 152 regional malls in the Properties range in size from approximately 200,000 to 2.2 million square feet of GLA, with all but three regional malls over 400,000 square feet. These regional malls contain in the aggregate nearly 16,000 occupied stores, including over 600 anchors which are mostly national retailers. As of December 31, 1998, regional malls (including specialty retail centers, and retail space in the mixed-use Properties) represented 85.0% of total GLA, 79.9% of Owned GLA and 85.8% of total annualized base rent of the Properties.

Community shopping centers are generally unenclosed and smaller than regional malls. Most of the 77 community shopping centers in the Properties range in size from approximately 100,000 to 400,000 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, 1998, community shopping centers represented 11.1% of total GLA, 13.7% of Owned GLA and 6.6% of the total annualized base rent of the Properties.

The SPG Operating Partnership also has an interest in three specialty retail centers, five office and mixed-use Properties and three value-oriented super-regional malls. The specialty retail centers contain approximately 763,000 square feet of GLA and do not have anchors; instead, they feature retailers and entertainment facilities in a distinctive shopping environment and location. The five office and mixed-use Properties range in size from approximately 350,000 to 1,033,000 square feet of GLA. Two of these Properties are regional malls with connected office buildings, two are located in mixed-use developments and contain primarily office space and one is solely office space. The value-oriented super-regional malls are each joint venture partnerships ranging in size from approximately 1.2 million to 1.3 million square feet of GLA. These include Arizona Mills, Grapevine Mills and Ontario Mills. These Properties combine retail outlets, manufacturers' off-price stores and other value-oriented tenants. As of December 31, 1998, value-oriented super-regional malls represented 2.3% of total GLA, 3.7% of Owned GLA and 4.1% of the total annualized base rent of the Properties.

As of December 31, 1998, approximately 89.9% of the Mall and Freestanding Owned GLA in regional malls, specialty retail centers and the retail space in the mixed use Properties was leased, approximately 98.2% of the Owned GLA in the value-oriented super-regional malls was leased, and approximately 91.4% of Owned GLA in the community shopping centers was leased.

Of the 240 Properties, 172 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 of all but eight of the Properties held as joint venture interests.

ADDITIONAL INFORMATION

The following table sets forth certain information, as of December 31, 1998, 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	Anchors/Specialty Anchors
REGIONAL MALLS					
1. Alton Square Alton, IL	Fee	100.0	Acquired 1993	641,409	Famous Barr, JCPenney, Sears
2. Amigoland Mall Brownsville, TX	Fee	100.0	Built 1974	558,622	Beall's, Dillard's, JCPenney, Montgomery Ward
3. Anderson Mall Anderson, SC	Fee	100.0	Built 1972	637,924	Gallant Belk, JCPenney, Sears, Uptons, United Artists Theatre
4. Aurora Mall Aurora, CO	Ground Lease (2009)	100.0	Acquired 1998	999,932	JCPenney, Foley's (3), Sears
5. Aventura Mall (4) Miami, FL	Fee	33.3	Built 1983	1,551,190	AMC Theatre, Bloomingdales, Burdines (5), JCPenney, Lord & Taylor, Macy's, Sears
6. Avenues, The Jacksonville, FL	Fee	25.0	Built 1990	1,112,206	Belk, Dillard's, Sears, Parisian, JCPenney
7. Barton Creek Square Austin, TX	Fee	100.0	Built 1981	1,369,938	Dillard's (3), Foley's, General Cinema, JCPenney, Sears, Montgomery Ward
8. Battlefield Mall Springfield, MO	Fee and Ground Lease (2056)	100.0	Built 1970	1,198,759	Dillard's, Famous Barr, Montgomery Ward, Sears, JCPenney
9. Bay Park Square Green Bay, WI	Fee	100.0	Built 1980	642,639	Kohl's, Montgomery Ward, Shopko, Elder-Beerman, Marcus Cinema
10. Bergen Mall Paramus, NJ	Fee and Ground Lease (6) (2061)	100.0	Acquired 1987	922,432	Value City, Stern's, Marshall's, Off 5th-Saks Fifth Avenue Outlet
11. Biltmore Square Asheville, NC	Fee	(7) 66.7	Built 1989	494,548	Belk, Dillard's, Proffitt's, Goody's
12. Boynton Beach Mall Boynton Beach, FL	Fee	100.0	Built 1985	1,064,137	Burdines, Macy's, Sears, Dillard's (3) (5), JCPenney
13. Brea Mall Brea, CA	Fee	100.0	Acquired 1998	1,302,126	JCPenney, Robinsons-May, Nordstrom, Sears, Macy's
14. Broadway Square Tyler, TX	Fee	100.0	Acquired 1994	571,430	Dillard's, JCPenney, Sears
15. Brunswick Square East Brunswick, NJ	Fee	100.0	Built 1973	734,639	Barnes & Noble (5), Brunswick Square Movies, Macy's, JCPenney

Name/Location	Ownership Interest (Expiration if Lease) (1)	The SPG Operating Partnership's Percentage Interest (2)	Year Built or Acquired	Total GLA	Anchors/Specialty Anchors
REGIONAL MALLS					
16. Burlington Mall Burlington, MA	Ground Lease (2048)	100.0	Acquired 1998	1,252,109	Lord & Taylor, Filene's, Macy's, Sears
17. Castleton Square Indianapolis, IN	Fee	100.0	Built 1972	1,390,085	Galyan's, LS Ayres, Lazarus, JCPenney, Sears, Von Maur
18. Century III Mall Pittsburgh, PA	Fee	(8) 50.0	Built 1979	1,286,753	Lazarus, Kaufmann's, JCPenney, Sears, T.J. Maxx, Wickes Furniture
19. Charlottesville Fashion Square Charlottesville, VA	Ground Lease (2076)	100.0	Acquired 1997	573,619	Belk (5), JCPenney, Sears
20. Chautauqua Mall Jamestown, NY	Fee	100.0	Built 1971	435,790	The Bon Ton , Sears, JCPenney, Office Max
21. Cheltenham Square Philadelphia, PA	Fee	100.0	Built 1981	633,073	Burlington Coat Factory, United Artists Theatre, Home Depot, Value City, Seaman's Furniture, Shop Rite
22. Chesapeake Square Chesapeake, VA	Fee and Ground Lease (2062)	(7) 75.0	Built 1989	704,511	Dillard's (3), JCPenney, Sears, Montgomery Ward, Hecht's (5)
23. Cielo Vista Mall El Paso, TX	Fee and Ground Lease (9) (2027)	100.0	Built 1974	1,192,002	Dillard's (3), JCPenney, Montgomery Ward, Sears
24. Circle Centre Indianapolis, IN	Property Lease (2097)	14.7	Built 1995	800,929	Nordstrom, Parisian, United Artists Theatre, Gameworks
25. College Mall Bloomington, IN	Fee and Ground Lease (9) (2048)	100.0	Built 1965	708,151	JCPenney, Lazarus, L.S. Ayres, Sears, Target
26. Columbia Center Kennewick, WA	Fee	100.0	Acquired 1987	772,583	Barnes & Noble, The Bon Marche, Eastgate Theatre, Lamonts, JCPenney, Sears
27. Coral Square Coral Springs, FL	Fee	50.0	Built 1984	944,466	Burdines (3), Dillard's, JCPenney, Sears
28. Cordova Mall Pensecola, FL	Fee	100.0	Acquired 1998	841,398	Montgomery Ward, Parisian, Dillard's (3)
29. Cottonwood Mall Albuquerque, NM	Fee	100.0	Built 1996	1,044,369	Dillard's, Foley's, JCPenney, Mervyn's, Montgomery Ward, United Artists Theatre
30. Crossroads Mall Omaha, NE	Fee	100.0	Acquired 1994	871,764	Dillard's, Sears, Younkers, Barnes & Noble
31. Crystal Mall (4) Waterford, CT	Fee	50.0	Acquired 1998	785,365	JCPenney, Filene's, Sears, Macy's
32. Crystal River Mall Crystal River, FL	Fee	100.0	Built 1990	426,124	Belk, Kmart, JCPenney, Regal Cinema, Sears

Name/Location	Ownership Interest (Expiration if Lease) (1)	The SPG Operating Partnership's Percentage Interest (2)	Year Built or Acquired	Total GLA	Anchors/Specialty Anchors
REGIONAL MALLS					
33. Dadeland Mall Miami, FL	Fee	50.0	Acquired 1997	1,405,693	Burdine's, Burdine's Home Gallery, JCPenney, Limited, Lord & Taylor, Saks Fifth Avenue
34. DeSoto Square Bradenton, FL	Fee	100.0	Built 1973	687,156	Burdines, JCPenney, Sears, Dillard's, Regal Cinema
35. Eastern Hills Mall Buffalo, NY	Fee	100.0	Built 1971	997,664	Sears, The Bon Ton, JCPenney, Kaufmann's, Burlington Coat Factory
36. Eastland Mall Evansville, IN	Fee	50.0	Acquired 1998	911,838	JC Penney, De Jong's, Famous Barr, Lazarus
37. Eastland Mall Tulsa, OK	Fee	100.0	Built 1986	706,617	Dillard's, Hollywood Cinema, JCPenney, Mervyn's, Service Merchandise
38. Edison Mall Fort Meyers, FL	Fee	100.0	Acquired 1997	986,971	Burdines (3), Dillard's, JCPenney, Sears
39. Empire Mall (4) Sioux Falls, SD	Fee	50.0	Acquired 1998	1,051,421	JCPenney, Younkers, Sears, Daytons, (10)
40. Fashion Mall at Keystone at the Crossing, The Indianapolis, IN	Ground Lease (2067)	100.0	Acquired 1997	651,671	Jacobsons, Parisian
41. Florida Mall, The Orlando, FL	Fee	50.0	Built 1986	1,119,813	Burdines (5), Dillard's, JCPenney, Parisian, Saks Fifth Avenue, Sears
42. Forest Mall Fond Du Lac, WI	Fee	100.0	Built 1973	483,695	JCPenney, Kohl's, Younkers, Sears, Staples
43. Forest Village Park Mall Forestville, MD	Fee	100.0	Built 1980	418,354	JCPenney, Kmart
44. Fremont Mall Fremont, NE	Fee	100.0	Built 1966	199,710	1/2 Price Store, JCPenney
45. Golden Ring Mall Baltimore, MD	Fee	100.0	Built 1974	719,733	Caldor (11), Hecht's, Montgomery Ward, United Artists
46. Granite Run Mall Media, PA	Fee	50.0	Acquired 1998	1,034,479	Boscovs, AMC Theatre, JCPenney, Sears
47. Great Lakes Mall Cleveland, OH	Fee	100.0	Built 1961	1,294,950	Dillard's (3), Regal Cinema, Kaufmann's, JCPenney, Sears
48. Greenwood Park Mall Greenwood, IN	Fee	100.0	Acquired 1979	1,278,298	JCPenney, JCPenney Home Store, Lazarus, L.S. Ayres, Sears, Service Merchandise, Von Maur
49. Gulf View Square Port Richey, FL	Fee	100.0	Built 1980	802,938	Burdines, Dillard's, Montgomery Ward, JCPenney, Sears

Name/Location	Ownership Interest (Expiration if Lease) (1)	The SPG Operating Partnership's Percentage Interest (2)	Year Built or Acquired	Total GLA	Anchors/Specialty Anchors
REGIONAL MALLS					
50. Gwinnett Place Duluth, GA	Fee	50.0	Acquired 1998	1,246,457	Parisian, Macy's, JCPenney, Rich's, Sears
51. Haywood Mall Greensville, SC	Fee	50.0	Acquired 1998	1,243,472	Belk Simpson, JCPenney, Rich's, Sears, Dillard's
52. Heritage Park Mall Midwest City, OK	Fee	100.0	Built 1978	637,356	Dillard's, Sears, Montgomery Ward, Service Merchandise
53. Highland Mall (4) Austin, TX	Fee	50.0	Acquired 1998	1,097,785	Dillard's (3), Foley's, JCPenney
54. Hutchinson Mall Hutchinson, KS	Fee	100.0	Built 1985	525,661	Cinema 8, Dillard's, JCPenney, Sears, Hobby Lobby
55. Independence Center Independence, MO	Fee	100.0	Acquired 1994	1,025,758	The Jones Store Co., Dillard's, Sears
56. Indian River Mall Vero Beach, FL	Fee	50.0	Built 1996	747,919	AMC Theatre, Burdines, Sears, JCPenney, Dillard's
57. Ingram Park Mall San Antonio, TX	Fee	100.0	Built 1979	1,131,616	Dillard's (3), Foley's, JCPenney, Sears, Beall's
58. Irving Mall Irving, TX	Fee	100.0	Built 1971	1,098,560	Barnes & Noble, Dillard's, Foley's, General Cinema, JCPenney, Mervyn's, Sears,
59. Jefferson Valley Mall Yorktown Heights, NY	Fee	100.0	Built 1983	589,444	Macy's, Sears, Service Merchandise, United Artist Theatre
60. Knoxville Center Knoxville, TN	Fee	100.0	Built 1984	990,092	Dillard's, JCPenney, Proffitt's, Regal Cinema, Sears, Service Merchandise
61. La Plaza McAllen, TX	Fee and Ground Lease (6) (2040)	100.0	Built 1976	989,322	Dillard's, JCPenney, Beall's, Foley's, Sears, Service Merchandise, Joe Brand-Lady Brand
62. Lafayette Square Indianapolis, IN	Fee	100.0	Built 1968	1,226,227	JCPenney, LS Ayres, Sears, Lazarus, Waccamaw, Burlington Coat Factory (5)
63. Laguna Hills Mall Laguna Hills, CA	Fee	100.0	Acquired 1997	868,731	JCPenney, Macy's, Sears
64. Lake Square Mall Leesburg, FL	Fee	50.0	Acquired 1998	560,671	AMC 6 Theatres, JCPenney, Sears, Belk, Target
65. Lakeland Square Lakeland, FL	Fee	50.0	Built 1988	899,350	Belk, Burdines, Dillard's (3), JCPenney, Sears
66. Lakeline Mall N. Austin, TX	Fee	(12) 85.0	Built 1995	1,102,847	Dillard's, Foley's, Sears, JCPenney, Mervyn's, Regal Cinema
67. Lenox Square Atlanta, GA	Fee	100.0	Acquired 1998	1,426,493	Neiman Marcus, Macy's, Rich's, United Artists Theatres

Name/Location	Ownership Interest (Expiration if Lease) (1)	The SPG Operating Partnership's Percentage Interest (2)	Year Built or Acquired	Total GLA	Anchors/Specialty Anchors
REGIONAL MALLS					
68. Lima Mall Lima, OH	Fee	100.0	Built 1965	752,802	Elder-Beerman, Sears, Lazarus, JCPenney
69. Lincolnwood Town Center Lincolnwood, IL	Fee	100.0	Built 1990	441,131	Carson Pirie Scott, JCPenney
70. Lindale Mall (4) Cedar Rapids, IA	Fee	50.0	Acquired 1998	693,660	Younkers, Von Maur, Sears
71. Livingston Mall Livingston, NJ	Fee	100.0	Acuired 1998	985,659	Macy's, Sears, Lord & Taylor
72. Longview Mall Longview, TX	Fee	100.0	Built 1978	616,608	Dillard's (3), JCPenney, Sears, Service Merchandise, Beall's
73. Machesney Park Mall Rockford, IL	Fee	100.0	Built 1979	556,093	Bergners, JCPenney, Kerasotes Theatre, Kohl's, Seventh Avenue Direct
74. Markland Mall Kokomo, IN	Ground Lease (2041)	100.0	Built 1968	390,901	Lazarus, Sears, Target
75. McCain Mall N. Little Rock, AR	Ground Lease (13) (2032)	100.0	Built 1973	776,508	Dillard's, JCPenney, M.M. Cohn, Sears
76. Melbourne Square Melbourne, FL	Fee	100.0	Built 1982	737,526	Belk, Burdines, Dillard's (3), JCPenney
77. Memorial Mall Sheboygan, WI	Fee	100.0	Built 1969	416,698	JCPenney, Kohl's, Sears
78. Menlo Park Mall Edison, NJ	Fee	100.0	Acquired 1997	1,299,492 (14)	Macy's, Nordstrom, Cineplex Odeon
79. Mesa Mall (4) Grand Junction, CO	Fee	50.0	Acquired 1998	850,571	Sears, Herberger's, JCPenney, Target, Mervyn's
80. Metrocenter (4) Phoenix, AZ	Fee	50.0	Acquired 1998	1,303,516	Macy's, Dillard's, Robinsons-May, JCPenney, Sears
81. Miami International Mall Miami, FL	Fee	60.0	Built 1982	972,340	Burdines (3), Sears, Dillard's, JCPenney
82. Midland Park Mall Midland, TX	Fee	100.0	Built 1980	616,336	Dillard's (3), JCPenney, Sears, Beall's
83. Miller Hill Mall Duluth, MN	Fee	100.0	Built 1973	800,808	JCPenney, Montgomery Ward, Sears, Younkers
84. Mission Viejo Mall Mission Viejo, CA	Fee	100.0	Built 1979	818,315	Macy's, Robinsons - May (3), Nordstrom (5), Saks Fifth Avenue (5)

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	REGIONAL MALLS					
85.	Mounds Mall Anderson, IN	Ground Lease (2033)	100.0	Built 1965	407,673	Elder-Beerman, JCPenney, Sears
86.	Muncie Mall Muncie, IN	Fee	100.0	Built 1970	656,715	JCPenney, L.S. Ayres, Sears, Elder Beerman (3)
87.	Nanuet Mall Nanuet, NY	Fee	100.0	Acquired 1998	913,844	Stern's, Macy's, Sears
88.	North East Mall Hurst, TX	Fee	100.0	Built 1971	1,141,429	Dillard's (3), JCPenney, Montgomery Ward, Sears, Nordstrom (5), Saks Fifth Avenue (5)
89.	North Towne Square Toledo, OH	Fee	100.0	Built 1980	751,605	Lion, Montgomery Ward, (10)
90.	Northfield Square Bradley, IL	Fee	(7) 31.6	Built 1990	558,737	Cinemark Movies 10, Carson Pirie Scott (3) (5), JCPenney, Sears
91.	Northgate Mall Seattle, WA	Fee	100.0	Acquired 1987	1,104,888 (15)	The Bon Marche, Lamonts, Nordstrom, JCPenney
92.	Northlake Mall Atlanta, GA	Fee	100.0	Acquired 1998	962,397	JCPenney, Parisian, Macy's, Sears
93.	Northwoods Mall Peoria, IL	Fee	100.0	Acquired 1983	667,561	Famous Barr, JCPenney, Sears
94.	Northpark Mall Davenport, IA	Fee	50.0	Acquired 1998	1,057,383	Von Maur, Younkers, Montgomery Ward, JCPenney, Sears
95.	Oak Court Mall Memphis, TN	Fee	100.0	Acquired 1997	842,406 (16)	Dillard's (3), Goldsmith's
96.	Orange Park Mall Jacksonville, FL	Fee	100.0	Acquired 1994	924,893	AMC 24 Theatre, Belk, Dillard's, JCPenney, Sears
97.	Orland Square Orland Park, IL	Fee	100.0	Acquired 1997	1,224,891	Carson Pirie Scott, JCPenney, Marshall Field, Plitt Theatres, Sears
98.	Paddock Mall Ocala, FL	Fee	100.0	Built 1980	559,552	Belk, Burdines, JCPenney, Sears
99.	Palm Beach Mall West Palm Beach, FL	Fee	100.0	Built 1967	1,024,470	Dillard's (5), JCPenney, Sears, Lord & Taylor, Burdines
100.	Phipps Plaza Atlanta, GA	Fee	100.0	Acquired 1998	820,654	AMC Theatres, Lord & Taylor, Parisian, Saks Fifth Avenue
101.	Port Charlotte Town Center Port Charlotte, FL	Ground Lease (2064)	(7) 80.0	Built 1989	716,208	Burdines, Dillard's, Montgomery Ward, JCPenney, Regal Cinema (5), Sears

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REGIONAL MALLS					
102. Prien Lake Mall Lake Charles, LA	Fee and Ground Lease (6) (2025)	100.0	Built 1972	814,516	Dillards, JCPenney, Montgomery Ward, Sears, The White House
103. Raleigh Springs Mall Memphis, TN	Fee and Ground Lease (6) (2018)	100.0	Built 1979	907,220	Dillard's, Goldsmith's, JCPenney, Sears
104. Randall Park Mall Cleveland, OH	Fee	100.0	Built 1976	1,580,786	Dillard's, Kaufmann's, Casa LaSalle, JCPenney, Magic Johnson Theatres (5), Sears, Burlington Coat Factory
105. Richardson Square Dallas, TX	Fee	100.0	Built 1977	746,569	Barnes & Noble, Dillard's, Ross Dress for Less, Sears, Stein Mart, Montgomery Ward
106. Richmond Town Square Cleveland, OH	Fee	100.0	Built 1966	1,004,897	JCPenney, Kaufmann's, Sears, Sony Theatres (5)
107. Richmond Square Richmond, IN	Fee	100.0	Built 1966	385,326	Dillard's, JCPenney, Sears, Office Max
108. River Oaks Center Calumet City, IL	Fee	100.0	Acquired 1997	1,336,138 (17)	Carson Pirie Scott, Cineplex Odeon, JCPenney, Marshall Field, Sears
109. Rockaway Townsquare Rockaway, NJ	Fee	100.0	Acquired 1998	1,238,788	Lord & Taylor, JCPenney, Macy's, Sears
110. Rolling Oaks Mall North San Antonio, TX	Fee	100.0	Built 1988	757,972	Dillard's, Foley's, Sears, Regal Cinema
111. Roosevelt Field Mall Garden City, NY	Fee	100.0	Acquired 1998	2,176,161	Bloomingdale's, JCPenney, Nordstrom, Macy's, Stern's
112. Ross Park Mall Pittsburgh, PA	Fee	100.0	Built 1986	1,275,231	Lazarus, JCPenney, Kaufmann's, Sears, Service Merchandise
113. Rushmore Mall (4) Rapid City, SD	Fee	50.0	Acquired 1998	836,409	JCPenney, Herberger's, Sears, Target, (10)
114. Santa Rosa Plaza Santa Rosa, CA	Fee	100.0	Acquired 1998	698,363	Macy's, Mervyn's, Sears
115. St. Charles Towne Center Waldorf, MD	Fee	100.0	Built 1990	1,053,318	Cineplex Odeon, Hecht's, JCPenney, Kohl's, Sears, Montgomery Ward,
116. Seminole Towne Center Sanford, FL	Fee	45.0	Built 1995	1,153,793	Burdines, Dillard's, JCPenney, Parisian, Sears United Artists
117. Smith Haven Mall Lake Grove, NY	Fee	25.0	Acquired 1995	1,343,321	Sterns, Macy's, Sears, JCPenney, Cineplex Odeon
118. Source, The Long Island, NY	Fee	25.0	Built 1997	730,177	ABC Home, Circuit City, Fortunoff, Loehmann's, Nordstrom Rack, Off 5th- Saks Fifth Avenue, Old Navy, Virgin Megastore
119. South Hills Village Pittsburgh, PA	Fee	100.0	Acquired 1997	1,118,773	Carmike Cinemas, Kaufmann's, Lazarus, Sears
120. South Park Mall Shreveport, LA	Fee	100.0	Built 1975	857,610	Burlington Coat Factory, Dillard's, JCPenney, Montgomery Ward, Regal Cinema, Stage

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REGIONAL MALLS					
121. South Shore Plaza Braintree, MA	Fee	100.0	Acquired 1998	1,447,783	Macy's, Filene's, Lord & Taylor, Sears
122. Southern Hills Mall (4) Sioux City, IA	Fee	50.0	Acquired 1998	752,588	Carmike Cinemas, Younkers, Sears, Target
123. Southern Park Mall Youngstown, OH	Fee	100.0	Built 1970	1,209,407	Dillard's, Kaufmann's, JCPenney, Sears, Tinseltown USA
124. Southgate Mall Yuma, AZ	Fee	100.0	Acquired 1988	321,417	Sears, Dillard's, JCPenney, (10)
125. SouthPark Mall Moline, IL	Fee	50.0	Acquired 1998	1,034,182	JCPenney, Montgomery Ward, Younkers, Sears, Von Maur
126. SouthRidge Mall (4) Des Moines, IA	Fee	50.0	Acquired 1998	998,176	Carmike Cinemas, Sears, Younkers, JCPenney, Target, Montgomery Ward
127. Summit Mall Akron, OH	Fee	100.0	Built 1965	711,802	Dillard's (3), Kaufmann's
128. Sunland Park Mall El Paso, TX	Fee	100.0	Built 1988	920,590	General Cinemas, JCPenney, Mervyn's, Sears, Dillard's, Montgomery Ward
129. Tacoma Mall Tacoma, WA	Fee	100.0	Acquired 1987	1,285,895	The Bon Marche, Sears, Nordstrom, JCPenney, Mervyn's, Plitt Theatres
130. Tippecanoe Mall Lafayette, IN	Fee	100.0	Built 1973	867,668	Kohl's, Lazarus, Sears, L.S. Ayres, JCPenney
131. Town Center at Boca Raton Boca Raton, FL	Fee	100.0	Acquired 1998	1,326,957	Lord & Taylor, Saks Fifth Avenue (5), Bloomingdale's, Burdines, Sears
132. Town Center at Cobb Atlanta, GA	Fee	50.0	Acquired 1998	1,271,583	Parisian, Macy's, Sears, JCPenney, Rich's
133. Towne East Square Wichita, KS	Fee	100.0	Built 1975	1,148,628	Dillard's, Hollywood Cinema, JCPenney, Sears, Service Merchandise
134. Towne West Square Wichita, KS	Fee	100.0	Built 1980	964,774	Dillard's, Sears, JCPenney, Montgomery Ward, Service Merchandise

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REGIONAL MALLS					
135. Treasure Coast Square Jenson Beach, FL	Fee	100.0	Built 1987	884,818	Burdines, Dillard's (3), Sears, JCPenney, United Artists Theatre
136. Tyrone Square St. Petersburg, FL	Fee	100.0	Built 1972	1,098,715	Borders (5), Burdines, Dillard's, JCPenney, Sears, AMC Theatre
137. University Mall Little Rock, AR	Ground Lease (18) (2026)	100.0	Built 1967	565,331	JCPenney, M.M. Cohn, Montgomery Ward
138. University Mall Pensacola, FL	Fee	100.0	Acquired 1994	711,279	McRae's, JCPenney, Sears, United Artists
139. University Park Mall South Bend, IN	Fee	60.0	Built 1979	942,289	LS Ayres, JCPenney, Sears, Marshall Fields
140. Upper Valley Mall Springfield, OH	Fee	100.0	Built 1971	751,233	Lazarus, JCPenney, Sears, Elder-Beerman, Chakeres Theatres
141. Valle Vista Mall Harlingen, TX	Fee	100.0	Built 1983	655,724	Dillard's, Mervyn's, Sears, JCPenney, Marshalls, Beall's
142. Valley Mall Harrisonburg, VA	Fee	50.0	Acquired 1998	482,341	JCPenney, Belk, Watsons, Wal-Mart
143. Virginia Center Commons Richmond, VA	Fee	100.0	Built 1991	791,099	Dillard's (3), Hecht's, JCPenney, Sears
144. Walt Whitman Mall Huntington Station, NY	Ground Rent (2012)	98.0	Acquired 1998	920,519	Lord & Taylor, Macy's, Bloomingdale's, Saks Fifth Avenue (5)
145. Washington Square Indianapolis, IN	Fee	100.0	Built 1974	1,010,542	L.S. Ayres, Lazarus, Target (5), JCPenney, Sears
146. West Ridge Mall Topeka, KS (19)	Fee	100.0	Built 1988	1,040,372	Dillard's, JCPenney, Jones, Sears, Montgomery Ward
147. West Town Mall Knoxville, TN	Ground Lease (2042)	50.0	Acquired 1991	1,337,566	Dillard's, JCPenney, Parisian, Proffitt's, Regal Cinema, Sears
148. Westchester, The (20) White Plains, NY	Fee	50.0	Acquired 1997	829,053	Neiman Marcus, Nordstrom
149. Westminster Mall Westminster, CA	Fee	100.0	Acquired 1998	1,091,488	Robinsons-May Home Store, JCPenney, Robinsons-May, Sears
150. White Oaks Mall Springfield, IL	Fee	77.0	Built 1977	902,880	Bergner's, Famous Barr, Montgomery Ward, Sears
151. Windsor Park Mall San Antonio, TX	Fee	100.0	Built 1976	1,095,229	Dillard's (3), JCPenney, Mervyn's, Beall's, Montgomery Ward, Regal Cinema

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REGIONAL MALLS					
152. Woodville Mall Toledo, OH	Fee	100.0	Built 1969	792,915	Andersons, Sears, Elder-Beerman, (10)
VALUE-ORIENTED REGIONAL MALLS					
1. Arizona Mills (4) Tempe, AZ	Fee	26.3	Built 1997	1,191,437	Burlington Coat Factory, Harkins Theater, Mikasa, Oshman's Supersport, Off 5th- Saks Fifth Avenue Outlet, JCPenney Outlet, Mikasa, Rainforest Cafe, GameWorks, Hi Health, Linens `N Things
2. Grapevine Mills (4) Grapevine (Dallas/Ft. Worth), TX	Fee	37.5	Built 1997	1,240,781	Books-A-Million, Burlington Coat Factory, Off 5th- Saks Fifth Avenue Outlet, JCPenney Outlet, Rainforest Cafe, Group USA, Bed, Bath & Beyond, AMC Theatres, GameWorks, American Wilderness (5)
3. Ontario Mills (4) Ontario, CA	Fee	25.0	Built 1996	1,345,096	AMC Theatres, JCPenney Outlet, Burlington Coat Factory, Marshall's, Sports Authority, Dave & Busters, Group USA, IWERKS, American Wilderness Experience, T.J. Maxx, Foozles, Totally for Kids, Bed, Bath & Beyond, Off Rodeo, Mikasa, Virgin Megastore, GameWorks, Off 5th-Saks Fifth Avenue Outlet
SPECIALTY RETAIL CENTERS					
1. Forum Shops at Caesars, The Las Vegas, NV	Ground Lease (2050)	(21)	Built 1992	479,756	-
2. Tower Shops, The Las Vegas, NV	Space Lease (2051)	50.0	Built 1996	59,082	-
3. Trolley Square Salt Lake City, UT	Fee and Ground Lease (22)	90.0	Acquired 1986	224,260	-

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REGIONAL MALLS					
OFFICE AND MIXED-USE PROPERTIES					
1. Fashion Centre at Pentagon City, The Arlington, VA	Fee	21.0	Built 1989	988,786 (23)	Sony Theatres, Macy's, Nordstrom
2. Lenox Building, The Atlanta, GA	Fee	100.0	Acquired 1998	348,152	-
3. New Orleans Centre/CNG Tower New Orleans, LA	Fee and Ground Lease (2084)	100.0	Built 1988	1,032,755 (24)	Macy's, Lord & Taylor
4. O'Hare International Center Rosemont, IL	Fee	100.0	Built 1988	511,305 (25)	-
5. Riverway Rosemont, IL	Fee	100.0	Acquired 1991	816,770 (26)	-

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REGIONAL MALLS					
COMMUNITY SHOPPING CENTERS					
1. Arboretum, The Austin, TX	Fee	90.0	Acquired 1998	210,400	Barnes & Noble, The Arbor Theater, The Pottery Barn
2. Arvada Plaza Arvada, CO	Fee	100.0	Built 1966	96,831	King Soopers
3. Aurora Plaza Aurora, CO	Ground Lease (2058)	100.0	Built 1965	150,209	King Soopers, MacFrugel's Bargains, Super Saver Cinema
4. Bloomingdale Court Bloomingdale, IL	Fee	100.0	Built 1987	598,531	Best Buy, T.J. Maxx N More, Cineplex Odeon, Frank's Nursery, Marshalls, Office Max, Old Navy, Service Merchandise, Wal-Mart, Dress Barn
5. Boardman Plaza Youngstown, OH	Fee	100.0	Built 1951	650,812	AMES, Burlington Coat Factory, Dunham's Sporting Goods, Giant Eagle, Michael's, Stein Mart, T.J. Maxx, Reyers Outlet
6. Bridgeview Court Bridgeview, IL	Fee	100.0	Built 1988	280,299	Dominick's (11)
7. Brightwood Plaza Indianapolis, IN	Fee	100.0	Built 1965	41,893	

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REGIONAL MALLS					
8. Buffalo Grove Towne Center Buffalo Grove, IL	Fee	100.0	Built 1988	134,144	Buffalo Grove Theatres Eagle Country Market
9. Celina Plaza El Paso, TX	Fee and Ground Lease (27) (2027)	100.0	Built 1978	32,622	General Cinema
10. Century Mall (28) Merrillville, IN	Fee	100.0	Acquired 1982	415,245	Burlington Coat Factory, Montgomery Ward
11. Charles Towne Square Charleston, SC (29)	Fee	100.0	Built 1976	205,399	Montgomery Ward, Regal Cinema
12. Chesapeake Center Chesapeake, VA	Fee	100.0	Built 1989	305,904	Movies 10, Phar Mor, K-Mart, Service Merchandise
13. Cobblestone Court Victor, NY	Fee and Ground Lease (9) (2038)	35.0	Built 1993	265,603	Dick's Sporting Goods, Kmart, Office Max
14. Cohoes Commons Rochester, NY	Fee and Ground Lease (6) (2032)	100.0	Built 1984	262,768	Bryant & Stratton Business Institute, (10), (11)
15. Countryside Plaza Countryside, IL	Fee and Ground Lease (9) (2058)	100.0	Built 1977	435,532	Best Buy, Builders Square, Old Country Buffet, K-Mart
16. Crystal Court Crystal Lake, IL	Fee	35.0	Built 1989	284,743	Cub Foods, Wal-Mart, Service Merchandise, (10)
17. Eastgate Consumer Mall Indianapolis, IN (28)	Fee	100.0	Acquired 1981	464,294	Burlington Coat Factory, General Cinema
18. Eastland Convenience Center Evansville, IN	Ground Lease (2075)	50.0	Acquired 1998	173,069	Kid "R" Us, Marshalls, Service Merchandise, Toys "R" Us
19. Eastland Plaza Tulsa, OK	Fee	100.0	Built 1986	188,229	Marshalls, Target, Toys "R" Us
20. Empire East (4) Sioux Falls, SD	Fee	50.0	Acquired 1998	271,351	Carmike Cinemas, Kohl's, Target
21. Fairfax Court Fairfax, VA	Ground Lease (2052)	26.3	Built 1992	249,306	Circuit City Superstore, Montgomery Ward, Today's Man
22. Forest Plaza Rockford, IL	Fee	100.0	Built 1985	413,889	Bed, Bath & Beyond, Kohl's, Marshalls, Media Play, Michael's, Factory Card Outlet, Office Max, T.J. Maxx
23. Fox River Plaza Elgin, IL	Fee	100.0	Built 1985	324,905	Big Lots, Builders Square, Kmart, Service Merchandise, (10)
24. Gaitway Plaza Ocala, FL	Fee	23.3	Built 1989	229,920	Books-A-Million, Montgomery Ward, Office Depot, T.J. Maxx

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REGIONAL MALLS					
25. Glen Burnie Mall (28) Glen Burnie, MD	Fee	100.0	Built 1963	456,361	Montgomery Ward
26. Great Lakes Plaza Cleveland, OH	Fee	100.0	Built 1976	163,919	Best Buy, Circuit City, Cost Plus, Home Place, Michael's
27. Great Northeast Plaza Philadelphia, PA	Fee	50.0	Acquired 1989	298,242	Sears, Phar Mor
28. Greenwood Plus Greenwood, IN	Fee	100.0	Built 1979	188,480	Best Buy, Cinema I-IV, Kohl's
29. Griffith Park Plaza Griffith, IN	Ground Lease (2060)	100.0	Built 1979	274,230	Kmart, Service Merchandise
30. Grove at Lakeland Square, The Lakeland, FL	Fee	100.0	Built 1988	215,591	Lakeland Square 10 Theatre, Wal-Mart, Sports Authority
31. Hammond Square Sandy Springs, GA	Space Lease (2011)	100.0	Built 1974	87,705	Burlington Coat Factory, Service Merchandise
32. Highland Lakes Center Orlando, FL	Fee	100.0	Built 1991	478,017	Bed, Bath & Beyond, Goodings, Marshalls, Ross Dress for Less, Michael's, Movies 12, Service Merchandise, Office Max, Target
33. Indian River Commons Vero Beach, FL	Fee	50.0	Built 1997	263,507	HomePlace, Lowe's, Office Max Service Merchandise
34. Ingram Plaza San Antonio, TX	Fee	100.0	Built 1980	111,518	_
35. Keystone Shoppes Indianapolis, IN	Ground Lease (2067)	100.0	Acquired 1997	29,140	_
36. Knoxville Commons Knoxville, TN	Fee	100.0	Built 1987	180,463	Circuit City, Office Max, Silk Tree Factory
37. Lake Plaza Waukegan, IL	Fee	100.0	Built 1986	218,208	Mega Mart
38. Lake View Plaza Orland Park, IL	Fee	100.0	Built 1986	388,355	Best Buy (30), Dominick's, Ultra 3 (30), Factory Card Outlet, Linens-N-Things (30), Marshalls, Pet Care Plus (30), Service Merchandise, (10)

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REGIONAL MALLS					
39. Lakeline Plaza Austin, TX	Fee	(12) 85.0	Built 1998	262,050	Best Buy, Cost Plus, Linens `N Things, Office Max, Old Navy, Petsmart, Ross Dress for Less, T.J. Maxx, Party City, Toys "R" Us, Ulta 3, (10)
40. Lima Center Lima, OH	Fee	100.0	Built 1978	201,154	AMES, Regal Cinema, Service Merchandise
41. Lincoln Crossing O'Fallon, IL	Fee	100.0	Built 1990	161,337	PetsMart, Wal-Mart
42. Mainland Crossing Galveston, TX	Fee	(7) 80.0	Built 1991	390,987	Sam's Club, Wal-Mart, Hobby Lobby
43. Maplewood Square Omaha, NE	Fee	100.0	Built 1970	130,780	Bag `N Save, Big Lots
44. Markland Plaza Kokomo, IN	Fee	100.0	Built 1974	108,296	Service Merchandise
45. Martinsville Plaza Martinsville, VA	Space Lease (2036)	100.0	Built 1967	102,162	Rose's
46. Marwood Plaza Indianapolis, IN	Fee	100.0	Built 1962	105,785	Kroger
47. Matteson Plaza Matteson, IL	Fee	100.0	Built 1988	275,455	Dominick's, Michael's Arts & Crafts, Service Merchandise, Value City
48. Memorial Plaza Sheboygan, WI	Fee	100.0	Built 1966	129,202	Marcus Theatre, Office Max, (10)
49. Mounds Mall Cinema Anderson, IN	Fee	100.0	Built 1974	7,500	Kerasotes Theater
50. Muncie Plaza Muncie, IN	Fee	100.0	Built 1998	172,651	Factory Card Outlet, Kohl's, OfficeMax, Shoe Carnival, T.J. Maxx
51. New Castle Plaza New Castle, IN	Fee	100.0	Built 1966	91,648	Goody's
52. North Ridge Plaza Joliet, IL	Fee	100.0	Built 1985	323,672	Best Buy, Cub Foods, Hobby Lobby, Office Max, Service Merchandise
53. North Riverside Park Plaza North Riverside, IL	Fee	100.0	Built 1977	119,608	Dominick's
54. Northland Plaza Columbus, OH	Fee and Ground Lease (6) (2085)	100.0	Built 1988	209,495	Marshalls, Phar-Mor, Service Merchandise
55. Northwood Plaza Fort Wayne, IN	Fee	100.0	Built 1974	211,840	Cinema Grill, Target

Name/Location	Ownership Interest (Expiration if Lease) (1)	The SPG Operating Partnership's Percentage Interest (2)	Year Built or Acquired	Total GLA	Anchors/Specialty Anchors
REGIONAL MALLS					
56. Park Plaza Hopkinsville, KY	Fee and Ground Lease (6) (2039)	100.0	Built 1968	114,458	Big Lots
57. Plaza at Buckland Hills, The Manchester, CT	Fee	35.0	Built 1993	337,970	Toys "R" Us, Jo-Ann Etc., Kids "R" Us, Service Merchandise, Comp USA, Linens-N-Thing's, Party City Filene's Basement
58. Regency Plaza St. Charles, MO	Fee	100.0	Built 1988	287,526	Sam's Wholesale, Wal-Mart
59. Ridgewood Court Jackson, MS	Fee	35.0	Built 1993	240,844	Home Quarters, T.J. Maxx, Service Merchandise, (10)
60. Rockaway Convenience Center Rockaway, NJ	Fee	100.0	Acquired 1998	135,283	ACME Food, American Multi Cinema, Discovery Zone, Kids "R" Us
61. Royal Eagle Plaza Coral Springs, FL	Fee	35.0	Built 1989	199,118	Kmart, Stein Mart
62. St. Charles Towne Plaza Waldorf, MD	Fee	100.0	Built 1987	434,964	Ames, Hechinger, Jo Ann Fabrics, CVS, T.J. Maxx, Service Merchandise, Shoppers Food Warehouse
63. Teal Plaza Lafayette, IN	Fee and Ground Lease (2007) (6)	100.0	Built 1962	101,087	Circuit City (5), Hobby-Lobby, The Pep Boys
64. Terrace at The Florida Mall Orlando, FL	Fee	100.0	Built 1989	332,980	Marshalls, Service Merchandise, Target, Uptons, Waccamaw
65. Tippecanoe Plaza Lafayette, IN	Fee	100.0	Built 1974	94,739	Barnes & Noble Bookseller, Service Merchandise
66. University Center South Bend, IN	Fee	60.0	Built 1980	150,548	Best Buy, Michaels, Service Merchandise
67. Village Park Plaza Westfield, IN	Fee	35.0	Built 1990	503,113	Frank's Nursery, Galyan's, Kohl's, Marsh, Regal Cinemas, Wal-Mart
68. Wabash Village West Lafayette, IN	Ground Lease (2063)	100.0	Built 1970	124,748	Kmart
69. Washington Plaza Indianapolis, IN	Fee	(7) 100.0	Built 1976	50,107	Kids "R" Us
70. West Ridge Plaza Topeka, KS	Fee	100.0	Built 1988	237,653	Magic Forest, Target, TJ Maxx, Toys "R" Us
71. West Town Corners Altamonte Springs, FL	Fee	23.3	Built 1989	384,988	PetsMart, Wal-Mart, Service Merchandise, Sports Authority, Winn Dixie, (10)

Name/Location	Ownership Interest (Expiration if Lease) (1)	The SPG Operating Partnership's Percentage Interest (2)	Year Built or Acquired	Total GLA	Anchors/Specialty Anchors
REGIONAL MALLS					
72. Westland Park Plaza Orange Park, FL	Fee	23.3	Built 1989	163,154	Burlington Coat Factory, PetsMart, Sports Authority, Sound Advice
73. White Oaks Plaza Springfield, IL	Fee	100.0	Built 1986	400,303	Cub Foods, Kids "R" Us, Kohl's, Office Max, T.J. Maxx, Toys "R" Us
74. Wichita Mall (28) Wichita, KS	Ground Lease (2022)	100.0	Built 1969	379,461	Cinema III (11), Dickinson Cinema, Office Max, Montgomery Ward
75. Willow Knolls Court Peoria, IL	Fee	35.0	Built 1990	383,377	Kohl's, Phar-Mor, Sam's Wholesale Club, Willow Knolls Theaters 14
76. Wood Plaza Fort Dodge, IA	Ground Lease (2045)	100.0	Built 1968	94,993	Country General
77. Yards Plaza, The Chicago, IL	Fee	35.0	Built 1990	273,097	Burlington Coat Factory, Montgomery Ward
PROPERTIES UNDER CONSTRUCTION					
1. Concord Mills Concord, NC	Fee	37.5	(31)	1,421,018	Alabama Grill, AMC, Bass Pro, Bed, Bath & Beyond, Books-A-Million, Burlington Coat Factory, Group USA, Jillian's, T.J. Maxx, Embassy Suites Hotel
2. Mall of Georgia Gwinnett County, GA	Fee	50.0	(32)	1,346,314	Barnes & Noble, Bed, Bath & Beyond, Dillard's, Galyan's, Haverty's, JCPenney, Lord & Taylor, Nordstrom
3. Mall of Georgia Crossing Gwinnett County, GA	Fee	50.0	(33)	444,000	Best Buy, Nordstrom Rack, Staples, Target, T.J. Maxx N More, Upton's
4. Shops at Northeast Plaza, The Hurst, TX	Fee	100.0	(34)	323,000	Bed, Bath, & Beyond, Office Max, Michael's, Nordstrom Rack, Pets Mart, T.J. Maxx, Pary City
5. Shops at Sunset Place, The Miami, FL	Fee	37.5	(35)	500,000	NIKETOWN, AMC Theatres Virgin Megastore, Z Gallerie, IMAX Theatre, Barnes & Noble, Game Works, FAO Schwarz
6. Waterford Lakes Town Center Orlando, FL	Fee	100.0	(36)	920,000	Barnes & Noble, Bed, Bath & Beyond, Office Max, Party City, Regal 20-Plex, Ross Dress for Less, Super Target, T.J. Maxx, Waves Music

(1) The date listed is the expiration date of the last renewal option available to the SPG Operating Partnership under the ground lease. In a majority of the ground leases, the lessee has either a right of first refusal or the right to purchase the lessor's interest. Unless otherwise indicated, each ground lease listed in this column covers at least 50% of its respective Property.

(2) The SPG Operating Partnership's interests in some of the Properties held as joint venture interests are subject to preferences on distributions in favor of other partners.

(3) This retailer operates two stores at this Property.

(4) This Property is managed by a third party.

(5) Indicates anchor is currently under construction.

(6) Indicates ground lease covers less than 15% of the acreage of this Property.

(7) The SPG Operating Partnership receives substantially all of the economic benefit of these Properties.

(8) Effective March 1, 1999, the SPG Operating Partnership acquired the remaining 50% interest in Century III Mall.

(9) Indicates ground lease(s) cover(s) less than 50% of the acreage of the Property.

(10) Includes an anchor space currently vacant.

(11) Indicates anchor has closed, but the SPG Operating Partnership still collects rents and/or fees under an agreement

(12) Effective January 29, 1999, the SPG Operating Partnership acquired the remaining 15% interest in Lakeline Mall and Lakeline Plaza.

(13) Indicates ground lease covers all of the Property except for parcels owned in fee by anchors.

(14) Primarily retail space with approximately 59,174 square feet of office space.

(15) Primarily retail space with approximately 69,876 square feet of office space.

(16) Primarily retail space with approximately 119,964 square feet of office space.

(17) Primarily retail space with approximately 77,371 square feet of office space.

(18) Indicates one ground lease covers substantially all of the Property and a second ground lease covers the remainder.

(19) Includes outlots in which the SPG Operating Partnership has an 85% interest and which represent less than 3% of the GLA and total annualized base rent for the Property.

(20) The SPG Operating Partnership purchased the management contract on this Property during 1998.

(21) The SPG Operating Partnership owns 60% of the original phase of this Property and 55% of phase II, which opened in August 1997.

(22) Indicates a ground lease covers a pedestrian walkway and steps at this Property. The SPG Operating Partnership, as ground lessee, has the right to successive five-year renewal options, subject to specified exceptions.

(23) Primarily retail space with approximately 167,150 square feet of office space.

(24) Primarily retail space with 491,489 square feet of office space.

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

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

(27) Indicates ground lease covers outparcel.

(28) Effective December 31, 1997, Eastgate Consumer Mall, Glen Burnie Mall, Century Mall and Wichita Mall have been reclassified as community centers. These Properties are currently being operated and marketed to tenant operations which are typically included in community centers.

(29) The SPG Operating Partnership demolished the previously existing regional mall, Charles Towne Square, and is in the process of rebuilding this community center and a cinema on the land.

(30) Subleased from TJX Companies.

(31) Scheduled to open during September 1999.

(32) Scheduled to open during August 1999.

(33) Scheduled to open during October 1999.

(34) Scheduled to open during November 1999.

(35) This Property opened in January 1999.

(36) Scheduled to open during November 1999.

Land Held for Development

The SPG Operating Partnership has direct or indirect ownership interests in eleven parcels of land being held for future development, containing an aggregate of approximately 904 acres located in nine states, and, through the Management Company, interest in a mortgage on a parcel of land held for development containing approximately 134 acres. Management believes that the SPG Operating Partnership's significant base of commercially zoned land, together with the SPG Operating Partnership's status as a fully integrated real estate firm, gives it a competitive advantage in future development activities over other commercial real estate development companies in its principal markets.

The following table describes the acreage of the parcels of land being held for future development in which the SPG Operating Partnership has an ownership interest, as well as the ownership percentage of the SPG Operating Partnership's direct or indirect interest in each parcel:

Location	Acreage	Ownership Interest (1)
Bowie, MD	93.7	100%
Duluth, MN	11.2	100%
Little Rock, AR	97.0	50%
Mt. Juliet, TN	109.3	100%
Crystal River, FL	204.5	100%
Sanford, FL	77.2	22.5%
Miami, FL	41.7	60%
Houston, TX	156.2	50%
Rockaway, NJ	40.4	100%
Garden City, NY	44.6	100%
Braintree, MA	28.5	100%
Total	904.3	

(1) The SPG Operating Partnership has a direct ownership interest in each parcel except Duluth, MN and Mt. Juliet, TN. The SPG Operating Partnership has the option to acquire those parcels from the Management Company.

The Management Company has granted options to the SPG Operating Partnership (for no additional consideration) to acquire for a period of ten years (expiring December 2003) the Management Company's interest in the two parcels of land held for development, indicated in footnote (1) to the above table, at a price equal to the actual cost incurred to acquire and carry such properties. The Management Company may not sell its interest in any parcel subject to option without providing certain notice and first purchase rights to the SPG Operating Partnership.

The Management Company also holds indebtedness secured by 134 acres of land held for development, Lakeview at Gwinnett ("Lakeview") in Gwinnett County, Georgia, in which Melvin Simon, Herbert Simon and certain of their affiliates (the "Simons") hold a 64% partnership interest. In addition, the Management Company holds unsecured debt owed by the Simons as partners of this partnership. The Management Company has an option to acquire the Simons' partnership interests in Lakeview for nominal consideration in the event the requisite partner consents to such transfers are obtained. The Management Company is required to fund certain operating expenses and carrying costs of the partnership that are owed by the Simons as partners thereof. The Management Company has granted to the SPG Operating Partnership the option to acquire (i) the Simons' partnership interests and the secured debt or (ii) the property, if the Management Company forecloses the secured indebtedness, for nominal consideration plus the amount of all advances and outstanding debt.

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. All mortgage and property related debt is nonrecourse, although certain Unitholders have guaranteed a portion of the Property related debt in the aggregate amount of $706.0 million.

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

Property Name		Interest Rate		Face Amount at 12/31/98	Annual Debt Service		Maturity Date
CONSOLIDATED INDEBTEDNESS:							
SECURED INDEBTEDNESS							
Anderson Mall - 1	(1)	6.57%		$ 19,000	$ 1,248	(2)	9/15/02
Anderson Mall - 2	(1)	7.01%		8,500	596	(2)	9/15/02
Arboretum		6.56%		34,000	2,232	(2)	12/1/03
Barton Creek Square		8.10%		62,064	5,867		12/30/99
Battlefield Mall - 1		7.50%		48,665	4,765		1/1/04
Battlefield Mall - 2		6.81%		45,000	3,230		1/1/04
Biltmore Square		7.15%		26,681	2,795		1/1/01
Bloomingdale Court	(3)	8.75%		27,359	2,394	(2)	12/1/00
Chesapeake Center		8.44%		6,563	554	(2)	5/15/15
Chesapeake Square		7.28%		48,164	4,883		1/1/01
Cielo Vista Mall - 1	(4)	9.38%		55,185	5,639		5/1/07
Cielo Vista Mall - 2		8.13%		1,940	189		11/1/05
Cielo Vista Mall - 3	(4)	6.76%		39,000	3,039		5/1/07
CMBS Loan - Fixed Component	(5)	7.27%		175,000	12,720	(2)	12/15/07
CMBS Loan - Variable Component	(5)	6.16%		50,000	3,078	(2)	12/15/07
College Mall - 1	(6)	7.00%		42,360	3,736		1/1/09
College Mall - 2	(6)	6.76%		12,000	857		1/1/09
Columbia Center		7.62%		42,326	3,789		3/15/02
Crystal River		7.06%	(7)	16,000	1,130	(2)	1/1/01
Eastgate Consumer Mall		6.00%	(8)	22,929	1,376	(2)	3/31/00
Eastland Mall	(9)	6.81%		15,000	1,022	(2)	9/15/02
Florida Mall, The		6.65%		90,000	5,985	(2)	2/28/00
Forest Mall - 1	(9)	6.57%		12,800	841	(2)	9/15/02
Forest Mall - 2	(9)	6.81%		2,750	187	(2)	9/15/02
Forest Plaza	(3)	8.75%		16,904	1,479	(2)	12/1/00
Forest Village Park Mall - 1	(1)	6.57%		20,600	1,353	(2)	9/15/02
Forest Village Park Mall - 2	(1)	7.01%		1,250	88	(2)	9/15/02
Forum Phase I - Class A-1		7.13%		46,997	3,349	(2)	5/15/04
Forum Phase I - Class A-2		6.19%		44,385	2,747	(2)	5/15/04
Forum Phase II - Class A-1		7.13%		43,004	3,064	(2)	5/15/04
Forum Phase II - Class A-2		6.19%		40,614	2,514	(2)	5/15/04
Fox River Plaza	(3)	8.75%		12,654	1,107	(2)	12/1/00
Golden Ring Mall	(9)	6.57%		29,750	1,955	(2)	9/15/02
Great Lakes Mall - 1		6.74%		52,632	4,354		3/1/01
Great Lakes Mall - 2		7.07%		8,489	724		3/1/99
Greenwood Park Mall - 1	(6)	7.00%		35,478	3,105		1/1/09
Greenwood Park Mall - 2	(6)	6.76%		62,000	4,428		1/1/09
Grove at Lakeland Square, The		8.44%		3,750	317	(2)	5/15/15
Gulf View Square		8.25%		37,633	3,652		10/1/06
Highland Lakes Center		6.56%	(10)	14,377	944	(2)	3/1/02
Hutchinson Mall - 1	(9)	8.44%		11,523	1,108		9/15/02
Hutchinson Mall - 2	(9)	6.81%		4,500	306	(2)	9/15/02
Ingram Park Mall - 1		8.10%		47,955	4,533		12/30/99
Ingram Park Mall - 2		9.63%		7,000	674	(2)	12/30/99
J.C. Penney/Net Leased (Chattanooga)		6.80%		847	274		5/31/02
Jefferson Valley Mall		5.61%	(11)	50,000	2,807	(2)	1/12/00
Keystone at the Crossing		7.85%		64,194	5,085		7/1/27
La Plaza Mall		8.25%		49,475	4,677		12/30/99

Property Name		Interest Rate	Face Amount at 12/31/98	Annual Debt Service	Maturity Date
Lake View Plaza	(3)	8.75%	22,169	1,940(2)	12/1/00
Lima Mall - 1		7.12%	14,180	1,215	3/1/02
Lima Mall - 2		7.12%	4,723	405	3/1/02
Lincoln Crossing	(3)	8.75%	997	87(2)	12/1/00
Longview Mall - 1	(1)	6.57%	22,100	1,452(2)	9/15/02
Longview Mall - 2	(1)	7.01%	5,500	386(2)	9/15/02
Mainland Crossing		6.56%(10)	2,226	146(2)	3/31/02
Markland Mall	(9)	6.57%	10,000	657(2)	9/15/02
Matteson Plaza	(3)	8.75%	11,159	976(2)	12/1/00
McCain Mall - 1	(4)	9.38%	25,768	2,721	5/1/07
McCain Mall - 2	(4)	6.76%	18,000	1,402	5/1/07
Melbourne Square		7.42%	39,404	3,374	2/1/05
Miami International Mall		6.91%	46,483	3,758	12/21/03
Midland Park Mall - 1	(9)	6.57%	22,500	1,478(2)	9/15/02
Midland Park Mall - 2	(9)	6.81%	5,500	375(2)	9/15/02
The Shops at Mission Viejo		6.11%	37,559	2,296(2)	9/14/03
North East Mall		10.00%	21,934	2,475	9/1/00
North Riverside Park Plaza - 1		9.38%	3,918	452	9/1/02
North Riverside Park Plaza - 2		10.00%	3,617	420	9/1/02
North Towne Square	(9)	6.57%	23,500	1,544(2)	9/15/02
Northgate Shopping Center		7.62%	79,035	7,075	3/15/02
Northlake Mall		8.00%	1,053	263	12/1/02
Orland Square		7.74%	50,000	3,871(2)	9/1/01
Paddock Mall		8.25%	29,930	2,905	10/1/06
Palm Beach Mall		7.50%	50,471	4,803	12/15/02
Port Charlotte Town Center - 1		7.28%	45,583	3,857	1/1/01
Port Charlotte Town Center - 2		7.28%	7,148	591	1/1/01
Randall Park Mall - 2		7.33%	35,000	2,566(2)	6/18/08
Regency Plaza	(3)	8.75%	1,878	164(2)	12/1/00
Richmond Towne Square		6.06%	14,526	881(2)	7/15/03
River Oaks Center		8.67%	32,500	2,818(2)	6/1/02
South Park Mall - 1	(1)	7.25%	19,799	1,717	9/15/02
South Park Mall - 2	(1)	7.01%	6,949	487(2)	9/15/02
South Shore		9.75%	82	66	4/1/00
St. Charles Towne Plaza	(3)	8.75%	30,742	2,690(2)	12/1/00
Sunland Park Mall	(12)	8.63%	39,506	3,773	1/1/26
Tacoma Mall		7.62%	92,474	8,278	3/15/02
Terrace at Florida Mall, The		8.44%	4,688	396(2)	5/15/15
Tippecanoe Mall - 1	(6)	8.45%	46,255	4,647	1/1/05
Tippecanoe Mall - 2	(6)	6.81%	16,000	1,149	1/1/05
Towne East Square - 1	(6)	7.00%	56,006	4,901	1/1/09
Towne East Square - 2	(6)	6.81%	25,000	1,795	1/1/09
Treasure Coast Square		7.42%	53,218	4,714	1/1/06
Trolley Square - 1		5.81%	19,000	1,104(2)	7/23/00(13)
Trolley Square - 2		6.56%(10)	4,641	305(2)	7/23/00(13)
Trolley Square - 3		6.56%(10)	3,500	230(2)	7/23/00(13)
University Park Mall		7.43%	59,500	4,421(2)	10/1/07
Valle Vista Mall - 1	(4)	9.38%	34,130	3,604	5/1/07
Valle Vista Mall - 2	(4)	6.81%	8,000	626	5/1/07
West Ridge Plaza	(3)	8.75%	4,612	404(2)	12/1/00
White Oaks Mall		6.51%	16,500	1,074(2)	3/1/99
White Oaks Plaza	(3)	8.75%	12,345	1,080(2)	12/1/00
Windsor Park Mall - 1		8.00%	5,771	544	6/1/00
Windsor Park Mall - 2		8.00%	8,865	811	5/1/12
Total Secured Indebtedness			$2,865,241		

Property Name		Interest Rate		Face Amount at 12/31/98	Annual Debt Service		Maturity Date
UNSECURED INDEBTEDNESS							
Medium Term Notes - 1		7.13%		100,000	7,125	(14)	6/24/05
Medium Term Notes - 2		7.13%		180,000	12,825	(14)	9/20/07
Putable Asset Trust Securities		6.75%		100,000	6,750	(14)	11/15/03
Unsecured Term Loan		5.71%	(15)	70,000	4,000	(2)	1/31/00
Unsecured Term Loan		6.14%		63,000	3,868	(2)	1/31/00
Unsecured Notes - 1		6.88%		250,000	17,188	(14)	11/15/06
Unsecured Notes - 2A		6.75%		100,000	6,750	(14)	7/15/04
Unsecured Notes - 2B		7.00%		150,000	10,500	(14)	7/15/09
Unsecured Notes - 3		6.88%		150,000	10,313	(14)	10/27/05
Unsecured Notes - 4A		6.63%		375,000	24,844	(14)	6/15/03
Unsecured Notes - 4B		6.75%		300,000	20,250	(14)	6/15/05
Unsecured Notes - 4C		7.38%		200,000	14,750	(14)	6/15/18
Mandatory Par Put Remarketed Securities		7.00%		200,000	14,000	(14)	6/15/08
				2,238,000			
Shopping Center Associates:							
Unsecured Notes - SCA 1		6.75%		150,000	10,125	(14)	1/15/04
Unsecured Notes - SCA 2		7.63%		110,000	8,388	(14)	5/15/05
				260,000			
The Retail Property Trust:							
Unsecured Notes - CPI 1		9.00%		250,000	22,500	(14)	3/15/02
Unsecured Notes - CPI 2		7.05%		100,000	7,050	(14)	4/1/03
Unsecured Notes - CPI 3		7.75%		150,000	11,625	(14)	8/15/04
Unsecured Notes - CPI 4		7.18%		75,000	5,385	(14)	9/1/13
Unsecured Notes - CPI 5		7.88%		250,000	19,688	(14)	3/15/16
CPI Merger Facility - 1	(16)	5.71%		450,000	25,713	(2)	6/24/99
CPI Merger Facility - 2	(16)	5.71%		450,000	25,713	(2)	3/24/00
CPI Merger Facility - 3	(16)	5.71%		500,000	28,570	(2)	9/24/00
Unsecured Revolving Credit Facility (17)		5.71%		368,000	21,028	(2)	9/27/99
				2,593,000			
Total Unsecured Indebtedness				$5,091,000			
Total Indebtedness at Face Amounts				$7,956,241			
Net Premium on Indebtedness				$ 16,140			
Total Consolidated Indebtedness				$7,972,381	(18)		

Joint Venture Indebtedness (19):

Arizona Mills		6.36%	(20)	140,984		8,972	(2)	2/1/02
Aventura Mall 1		6.55%		141,000		9,231	(2)	4/6/08
Aventura Mall 2		6.60%		25,400		1,675	(2)	4/6/08
Aventura Mall 3		6.89%		33,600		2,314	(2)	4/6/08
Avenues, The		8.36%		57,710		4,825	(2)	5/15/03
Century III Mall		6.78%		66,000		4,475	(2)	7/1/03
Circle Centre Mall		5.50%	(21)	60,000		3,302	(2)	1/31/04
Cobblestone Court		7.22%	(22)	6,180		446	(2)	11/30/05
Concord Mills		6.41%		24,250		1,555	(2)	12/2/03
Coral Square		7.40%		53,300		3,944	(2)	12/1/00
Crystal Court		7.22%	(22)	3,570		258	(2)	11/30/05
Crystal Mall		8.66%		50,305		4,356	(2)	2/1/03
Dadeland Mall		5.76%	(23)	140,000		8,070	(2)	12/10/00
Fairfax Court		7.22%	(22)	10,320		745	(2)	11/30/05
Gaitway Plaza		7.22%	(22)	7,350		531	(2)	11/30/05
Grapevine Mills		6.47%		155,000		10,029	(2)	10/1/08
Great Northeast Plaza		9.04%		17,671		2,110		6/1/06
Gwinnett Place		7.54%		39,866		3,412		4/1/07
Highland Mall - 1		9.75%		7,651		746	(2)	12/1/09
Highland Mall - 2		8.50%		306		26	(2)	10/1/01
Highland Mall - 3		9.50%		2,896		275	(2)	11/1/01
IBM CMBS Loan - Fixed Component	(24)	7.40%		300,000		22,197	(2)	5/1/06
IBM CMBS Loan - Floating Component	(24)	5.56%		185,000		10,290	(2)	5/1/03
Indian River Commons		7.58%		8,399		637	(25)	11/1/04
Indian River Mall		7.58%		46,602		3,532	(25)	11/1/04
Lakeland Square		7.26%		52,421		4,368		12/22/03
Lakeline Mall		7.65%		72,927		6,300		5/1/07
Lakeline Plaza - 1		5.44%	(26)	30,500		1,659	(2)	6/6/02
Mall of Georgia		7.09%		135,000		9,572	(2)	7/1/10
Metrocenter		8.45%		31,181		2,635	(2)	2/28/08
Northfield Square		9.52%		24,055		2,575		4/1/00
Ontario Mills - 4		0.00%	(27)	4,717		0	(27)	12/28/09
Ontario Mills - 5		6.75%		144,902		9,781	(2)	11/2/08
Plaza at Buckland Hills, The		7.22%	(22)	17,680		1,276	(2)	11/30/05
Ridgewood Court		7.22%	(22)	7,980		576	(2)	11/30/05
Royal Eagle Plaza		7.22%	(22)	7,920		572	(2)	11/30/05
Seminole Towne Center		6.88%		70,500		4,850	(2)	1/1/06
Shops at Sunset Place, The		6.31%	(28)	87,180		5,505	(2)	6/30/02
Smith Haven Mall		7.86%		115,000		9,039	(2)	6/1/06
Source, The		6.65%		124,000		8,246	(2)	11/6/08
Tower Shops, The		6.26%		13,500		846	(2)	3/13/99
Town Center at Cobb		7.54%		50,794		4,347		4/1/07
Village Park Plaza		7.22%	(22)	8,960		647	(2)	11/30/05
West Town Corners		7.22%	(22)	10,330		746	(2)	11/30/05
West Town Mall		6.90%		76,000		5,244	(2)	5/1/08
Westchester, The		8.74%		152,104		14,478		9/1/05
Westland Park Plaza		7.22%	(22)	4,950		357	(2)	11/30/05
Willow Knolls Court		7.22%	(22)	6,490		469	(2)	11/30/05
Yards Plaza, The		7.22%	(22)	8,270		597	(2)	11/30/05
Total Joint Venture Indebtedness at Face Amounts				$2,840,721				
Premium on Indebtedness				20,868				
Total Joint Venture Indebtedness				$2,861,589	(29)			

(Footnotes on following page)

(Footnotes for preceding pages)

(1) Loans secured by these four Properties are cross-collateralized and cross-defaulted.

(2) Requires monthly payments of interest only.

(3) These ten Properties are cross-defaulted.

(4) These three Properties are cross-collateralized.

(5) Secured by cross-collateralized 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). (6) Loans secured by these four Properties are cross-collateralized and cross-defaulted.

(7) LIBOR + 2.000%.

(8) LIBOR + 1.000%, with LIBOR Capped at 5.000%.

(9) Loans secured by these seven Properties are cross-collateralized and cross-defaulted.

(10) LIBOR + 1.500%.

(11) LIBOR + 0.550%, with LIBOR Capped at 8.700% through maturity.

(12) Lender also participates in a percentage of gross revenues above a specified base.

(13) July 23, 2000 is the earliest date on which the lender may call the bonds.

(14) Requires semi-annual payments of interest only.

(15) LIBOR + 0.650%.

(16) The Merger Facility bears interest at LIBOR + 0.65%. Interest rate swaps currently exist on $500,000 of this facility, which fix the LIBOR component at a weighted average rate of 5.06%. On February 4, 1999 the SPG Operating Partnership completed the sale of $600,000 of senior unsecured notes. The net proceeds of which were used primarily to paydown the first maturity of the Merger Facility and the Credit Facility. (See Note 10 to the accompanying financial statements.)

(17) $1,250,000 unsecured revolving credit facility. Currently, bears interest at LIBOR + 0.65% 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 12/31/98, $880,800 was available after outstanding borrowings and letters of credit. The SPG Operating Partnership has the option to extend this facility for an additional year. (18) Includes minority interest partners' share of consolidated indebtedness of ($129,809).

(19) As defined in the accompanying consolidated financial statements, Joint Venture Properties are those accounted for using the equity method of accounting.

(20) LIBOR + 1.300%, with LIBOR Capped at 9.500%.

(21) LIBOR + 0.440%, with LIBOR Capped at 8.81% through maturity.

(22) The interest rate on this cross-collateralized mortgage is fixed at 7.22% through November 1999 and thereafter the rate is the greater of 7.22% or 2.0% over the then current yield of a six month treasury bill selected by the lender.

(23) LIBOR + 0.700%.

(24) This $485 million Commercial Mortgages Notes is 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 rate protection agreement which Caps LIBOR at 11.67%.

(25) Loans require monthly interest payments only until they begin amortizing November, 2000.

(26) LIBOR + 0.375%.

(27) Beginning January 2000, this note will bear Interest at 6.00%.

(28) LIBOR + 1.250%.

(29) Includes outside partners' share of indebtedness of ($1,634,545).

Item 3. Legal Proceedings

Richard E. Jacobs, et al. v. Simon DeBartolo Group, L.P. On September 3, 1998, a complaint was filed in the Court of Common Pleas in Cuyahoga County, Ohio, captioned Richard E. Jacobs, et al. v. Simon DeBartolo Group, L.P. The plaintiffs are all principals or affiliates of The Richard E. Jacobs Group, Inc. The plaintiffs allege in their complaint that the SPG Operating Partnership engaged in malicious prosecution, abuse of process, defamation, libel, injurious falsehood/unlawful disparagement, deceptive trade practices under Ohio law, tortious interference and unfair competition in connection with the SPG Operating Partnership's acquisition by tender offer of shares in RPT, a Massachusetts business trust, and certain litigation instituted in September, 1997, by the SPG Operating Partnership against Jacobs in federal district court in New York, wherein the SPG Operating Partnership alleged that Jacobs and other parties had engaged, or were engaging in activity which violated Section 10(b) of the Securities Exchange Act of 1934, as well as certain rules promulgated thereunder. Plaintiffs in the Ohio action are seeking compensatory damages in excess of $200 million, punitive damages and reimbursement for fees and expenses. It is difficult to predict the ultimate outcome of this action and there can be no assurance that the SPG Operating Partnership will receive a favorable verdict. Based upon the information known at this time, in the opinion of management, it is not expected that this action will have a material adverse effect on the SPG Operating Partnership.

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 DPMI, and the plaintiffs are 27 former employees of the defendants. In the complaint, the plaintiffs allege that they were recipients of deferred stock grants under the 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 assert that the defendants' refusal to issue them approximately 661,000 shares of DRC common stock, which is equivalent to approximately 450,000 shares of common stock of SPG computed at the 0.68 Exchange Ratio used in the DRC Merger, constitutes a breach of contract and a breach of the implied covenant of good faith and fair dealing under Ohio law. Plaintiffs seek 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 complaint was served on the defendants on October 28, 1996. The plaintiffs and SPG each filed motions for summary judgment. On October 31, 1997, the Court entered a judgment in favor of SPG granting SPG's motion for summary judgment. The plaintiffs have appealed this judgment and the matter is pending. While it is difficult to predict the ultimate outcome of this action, based on the information known to SPG to date, it is not expected that this action will have a material adverse effect on SPG or the SPG Operating Partnership.

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 $7.8 million has been entered against all defendants. This judgment includes approximately $6.5 million of punitive damages and is based upon a jury's findings on four separate theories of liability including fraud, intentional infliction of emotional distress, tortuous 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 affiliate is seeking to overturn the award and has appealed the verdict. The affiliate's appeal is pending. Although management is optimistic that it may be able to reverse or reduce the verdict, there can be no assurance thereof. 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.

Browning-Ferris Industries of Illinois, et al. v. Richard Ter Maat, et al. v. Craig J. Cain, et al., Case No. 92 C 20259. On April 4, 1994, a third-party action was filed by Richard Ter Maat and five other parties (collectively referred to as "Third-Party Plaintiffs") named as defendants in the above referenced litigation, which had begun in 1992, against Machesney Park Associates (the "Affiliate") and approximately 74 other parties (collectively referred to as "Third-Party Defendants"). That third-party action alleged generally that the Third-Party Defendants are liable under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. section 9601 et seq., and under Illinois statutory and common law for certain response costs expended and to be expended by Third-Party Plaintiffs in connection with the claims asserted by Browning-Ferris Industries of Illinois and approximately 20 other parties (collectively referred to as "Plaintiffs") against the Third-Party Plaintiffs. In the original lawsuit, Plaintiffs sought reimbursement of response costs they allegedly incurred and will incur in response to the release or threat of release of hazardous substances from the M.I.G./Dewane Landfill located one mile east of the City of Belvidere, in Boone County, Illinois (the "Site"), and declaratory judgment on liability against

Defendants for such response costs. To date, the Plaintiffs have alleged response costs in excess of $5.0 million in connection with the Site. In February 1996, the Affiliate settled this pending litigation by the payment of $40,000 to the original Plaintiffs. Since that date, the SPG Operating Partnership's third party casualty insurer responded to the SPG Operating Partnership's demand, has reimbursed the SPG Operating Partnership for its costs expended to date, and has further agreed to defend and indemnify the SPG Operating Partnership against any further loss, cost, or damage with respect to this matter.

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

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

None.

Part II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

There is no established public trading market for the SPG Operating Partnership's Units or preferred units (all of which are owned by SPG and SPG Properties, Inc.). The following table sets forth for the periods indicated, the distributions declared on the Units:

1997	Declared Distribution
1st Quarter	$0.4925
2nd Quarter	$0.5050
3rd Quarter	$0.5050
4th Quarter	$0.5050
1998	
1st Quarter	$0.5050
2nd Quarter	$0.5050
3rd Quarter	$0.5050
4th Quarter	$0.5050 (1)

(1) Includes a $0.4721 distribution declared in the third quarter of 1998, but not payable until the fourth quarter of 1998, related to the CPI Merger, designated to align the time periods of distribution payments of the merged companies. The current annual distribution rate is $2.02 per Unit.

Holders

The number of holders of Units was 155 as of March 18, 1999.

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 (the "Act") during the fourth quarter of 1998, except as follows: During 1998 the SPG Operating Partnership issued 2,864,088 Units in connection with the acquisition of additional ownership interests in four partnerships and the acquisition of Cordova Mall. The foregoing transactions are exempt from registrations under the Act in reliance on section 4(2).

Item 6. Selected Financial Data

The following tables set forth selected financial data for the SPG Operating Partnership. The financial data should be read in conjunction with the financial statements and notes thereto and with Management's Discussion and Analysis of Financial Condition and Results of Operations.

Other data management believes 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 3l,				
	1998(1)	1997(1)	1996(1)	1995	1994
	(in thousands, except per Unit data)				
OPERATING DATA:					
Total revenue	$ 1,400,189	$ 1,054,167	$ 747,704	$ 553,657	$ 473,676
Income before extraordinary items	233,256	203,133	134,663	101,505	60,308
Net income available to Unitholders	$ 198,931	$ 173,943	$ 118,448	$ 96,730	$ 42,328
BASIC EARNINGS PER UNIT:					
Income before extraordinary items	$ 1.01	$ 1.08	$ 1.02	$ 1.08	$ 0.71
Extraordinary items	0.04	--	(0.03)	(0.04)	(0.21)
Net income	$ 1.05	$ 1.08	$ 0.99	$ 1.04	$ 0.50
Weighted average Units outstanding	189,082	161,023	120,182	92,666	84,510
DILUTED EARNINGS PER UNIT:					
Income before extraordinary items	$ 1.01	$ 1.08	$ 1.01	$ 1.08	$ 0.71
Extraordinary items	0.04	--	(0.03)	(0.04)	(0.21)
Net income	$ 1.05	$ 1.08	$ 0.98	$ 1.04	$ 0.50
Diluted weighted average Units outstanding	189,440	161,407	120,317	92,776	84,712
Distributions per Unit (2)	$ 2.02	$ 2.01	$ 1.63	$ 1.97	$ 1.90
BALANCE SHEET DATA:					
Cash and cash equivalents	$ 124,466	$ 109,699	$ 64,309	$ 62,721	$ 105,139
Total assets	13,112,916	7,662,667	5,895,910	2,556,436	2,316,860
Mortgages and other indebtedness	7,972,381	5,077,990	3,681,984	1,980,759	1,938,091
Limited Partners' Interest (3)	--	--	--	908,764	909,306
Partners' equity (deficit)	$ 4,587,801	$ 2,251,299	$1,945,174	$ (589,126)	$ (807,613)
OTHER DATA:					
Cash flow provided by (used in):					
Operating activities	$ 543,663	$ 370,907	$ 236,464	$ 194,336	$ 128,023
Investing activities	(2,099,009)	(1,243,804)	(199,742)	(222,679)	(266,772)
Financing activities	1,570,113	918,287	(35,134)	(14,075)	133,263
Ratio of Earnings to Fixed Charges	1.56x	1.68x	1.64x	1.67x	1.43x
Funds from Operations (FFO) (4)	$ 540,609	$ 415,128	$ 281,495	$ 197,909	$ 167,761

Notes

(1) Notes 3, 4 and 7 to the accompanying financial statements describe the CPI Merger and the DRC Merger, which occurred on September 24, 1998 and August 9, 1996, respectively, and other 1998, 1997 and 1996 real estate acquisitions and development.

(2) 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.

(3) See Note 11 to the financial statements.

(4) Please refer to Management's Discussion and Analysis of Financial Condition and Results of Operations for a definition of Funds from Operations.

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

The following discussion should be read in conjunction with the Selected Financial Data, and all of the financial statements and notes thereto included elsewhere herein. Certain statements made in this report may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the SPG Operating Partnership to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such 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.

Overview

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, 1998, the SPG Operating Partnership owns or holds an interest in 240 income-producing properties, which consist of 152 regional malls, 77 community shopping centers, three specialty retail centers, five office and mixed-use properties and three value-oriented super-regional malls in 35 states (the "Properties"). The SPG Operating Partnership also owns interests in one regional mall, one value-oriented super-regional mall, one specialty retail center and three community centers currently under construction and eleven parcels of land held for future development (collectively, the "Development Properties", and together with the Properties, 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 to the attached financial statements for a description of the activities of the Management Company.

Operating results of the SPG Operating Partnership for the two years ended December 31, 1998 and 1997, and their comparability to the respective prior periods, have been significantly impacted by a number of Property acquisitions and openings beginning in 1996. The greatest impact on results of operations has come from the CPI Merger (see Liquidity and Capital Resources), which was consummated as of the close of business on September 24, 1998, the merger with DeBartolo Realty Corporation (the "DRC Merger") which was completed on August 9, 1996, and the acquisition of Shopping Center Associates (the "SCA Acquisition"), which included a series of transactions from September 29, 1997 to June 1, 1998. In addition, the SPG Operating Partnership acquired ownership interests in or commenced operations of several other Properties throughout the comparative periods and, as a result, increased the number of Properties it accounts for using the consolidated method of accounting (the "Property Transactions"). The following is a listing of such transactions: On April 11, 1996, the SPG Operating Partnership acquired the remaining 50% economic ownership interest in Ross Park Mall for approximately $101 million. On July 31, 1996, the SPG Operating Partnership opened the approximately $75 million wholly-owned Cottonwood Mall in Albuquerque, New Mexico. On August 29, 1997, the SPG Operating Partnership opened the 55%-owned, $89 million phase II expansion of The Forum Shops at Caesar's. On December 30, 1997, the SPG Operating Partnership acquired 100% of The Fashion Mall at Keystone at the Crossing, along with an adjacent community center, in Indianapolis, Indiana for $124.5 million. On January 26, 1998, the SPG Operating Partnership acquired 100% of Cordova Mall in Pensacola, Florida for approximately $87.3 million. On May 5, 1998, SPG acquired the remaining 50.1% interest in Rolling Oaks Mall for 519,889 shares of SPG's common stock, valued at approximately $17.2 million. SPG transferred the interest to the SPG Operating Partnership in exchange for 519,889 Units. Please refer to "Liquidity and Capital Resources" for additional information on 1998 activity.

Results of Operations

Year Ended December 31, 1998 vs. Year Ended December 31, 1997

Total revenue increased $346.0 million or 32.8% in 1998 as compared to 1997. This increase is primarily the result of the CPI Merger ($131.0 million), the SCA Acquisition ($121.7 million), the Property Transactions ($48.2 million) and approximately $12.9 million of consolidated revenues realized from marketing initiatives throughout the portfolio from the SPG Operating Partnership's strategic marketing division, Simon Brand Ventures ("SBV"). Excluding these transactions, total revenues increased $32.3 million, primarily due to a $20.2 million increase in minimum rent, a $10.1 million increase in other income and a $3.8 million increase in tenant reimbursements. The increase in minimum rents results from increased occupancy levels, the replacement of expiring tenant leases with renewal leases at higher minimum base rents, and a $4.3 million increase in rents from tenants operating under license agreements. The increase in other income is primarily the result of increases in gains from sales of peripheral properties ($3.4 million) and interest income ($2.8 million) and a fee ($2.5 million) earned from CPI in connection with the sale of the General Motors Building in New York, New York. The increase in tenant reimbursements is offset by a $4.6 million increase in property operating expenses for comparable properties.

Total operating expenses increased $183.0 million, or 31.7%, in 1998 as compared to 1997. This increase is primarily the result of the CPI Merger ($70.7 million, including $26.0 million of depreciation and amortization), the SCA Acquisition ($66.6 million, including $20.9 million of depreciation and amortization) and the Property Transactions ($29.7 million, including $12.9 million of depreciation and amortization). Excluding these transactions, operating expenses increased $16.1 million or 2.8%, primarily due to increases in depreciation and amortization ($6.3 million), property operating expenses ($4.6 million) and advertising and promotion ($3.7 million). The increase in depreciation and amortization is primarily due to an increase in depreciable real estate realized through renovation and expansion activities. The increase in property operating expenses is offset by a $3.8 million net increase in tenant reimbursements.

Interest expense increased $132.5 million, or 46.0% in 1998 as compared to 1997. This increase is primarily as a result of the CPI Merger ($45.8 million), the SCA Acquisition ($59.1 million) and the Property Transactions ($15.0 million) and incremental interest ($12.7 million) on borrowings under the Credit Facility to acquire the IBM Properties (see Note 7 to the financial statements).

The $7.3 million loss on the sale of an asset in 1998 is the result of the June 30, 1998 sale of Southtown Mall for $3.3 million.

Income from unconsolidated entities increased $9.0 million from $19.2 million in 1997 to $28.1 million in 1998, resulting from an increase in the SPG Operating Partnership's share of income from partnerships and joint ventures ($13.6 million), partially offset by a decrease in the SPG Operating Partnership's share of income from M.S. Management Associates Inc. (the "Management Company") ($4.6 million). The increase in the SPG Operating Partnership's share of income from partnerships and joint ventures is primarily the result of the addition of the IBM Properties ($14.5 million) and the CPI Merger ($6.8 million), partially offset by the increase in the amortization of the excess of the SPG Operating Partnerships' investment over their share of the equity in the underlying net assets of unconsolidated joint-venture Properties ($8.7 million). The decrease in Management Company includes a $6.0 million decrease in development fee income.

The $7.1 million loss from extraordinary items in 1998 is the result of prepayment penalties and write-offs of mortgage costs associated with early extinguishments of debt.

Net income was $240.4 million in 1998, as compared to $203.2 million in 1997, reflecting an increase of $37.2 million, for the reasons discussed above, and was allocated to the SPG Operating Partnership's based on their preferred unit preferences and weighted average ownership interests in the SPG Operating Partnership during the year.

Year Ended December 31, 1997 vs. Year Ended December 31, 1996

Total revenue increased $306.5 million or 41.0% in 1997 as compared to 1996. This increase is primarily the result of the DRC Merger ($234.1 million), the SCA Acquisition ($30.6 million) and the Property Transactions ($28.4 million). Excluding these transactions, total revenues increased $13.4 million, which includes a $15.4 million increase in minimum rent and a $7.1 million increase in tenant reimbursements, partially offset by a $7.5 million decrease in other income. The $15.4 million increase in minimum rents results from increased occupancy levels, the replacement of expiring tenant leases with renewal leases at higher minimum base rents, and a $4.4 million increase in rents from tenants operating under license agreements. The $7.1 million increase in tenant reimbursements is partially offset by a net increase in recoverable expenses. The $7.5 million decrease in other income is primarily the result of decreases in lease settlement income ($3.0 million), interest income ($1.3 million) and gains from sales of peripheral properties ($1.7 million).

Total operating expenses increased $160.9 million, or 38.7%, in 1997 as compared to 1996. This increase is primarily the result of the DRC Merger ($113.5 million), the SCA Acquisition ($15.9 million), the Property Transactions ($17.3 million), and the increase in depreciation and amortization ($10.1 million), primarily due to an increase in depreciable real estate realized through renovation and expansion activities.

Interest expense increased $85.6 million, or 42.4% in 1997 as compared to 1996. This increase is primarily as a result of the DRC Merger ($61.1 million), the SCA Acquisition ($13.9 million) and the Property Transactions ($9.1 million).

The $0.1 million gain from extraordinary items in 1997 is the net result of gains realized on the forgiveness of debt ($31.1 million) and the write-off of net unamortized debt premiums ($8.4 million), partially offset by the acquisition of the contingent interest feature on four loans ($21.0 million) and prepayment penalties and write-offs of mortgage costs associated with early extinguishments of debt ($18.4 million). The $3.5 million extraordinary loss in 1996 is the result of write-offs of mortgage costs associated with early extinguishments of debt.

Income from unconsolidated entities increased from $9.5 million in 1996 to $19.2 million in 1997, resulting from an increase in the SPG Operating Partnership's share of the Management Company's income ($5.0 million) and an increase in its share of income from partnerships and joint ventures ($4.6 million). The increase in Management Company income is primarily the result of income realized through marketing initiatives ($2.0 million) and the SPG Operating Partnership's share of the Management Company's gains on sales of peripheral property ($1.9 million). The increase in the SPG Operating Partnership's share of income from partnerships and joint ventures is primarily the result of the DRC Merger ($4.9 million), the SCA Acquisition ($3.2 million), and the nonconsolidated joint-venture Properties acquired or commencing operations during 1997 ($5.0 million), partially offset by the increase in the amortization of the excess of the SPG Operating Partnership's investment over its share of the equity in the underlying net assets of unconsolidated joint-venture Properties ($8.8 million).

Net income was $203.2 million in 1997, as compared to $131.1 million in 1996, reflecting an increase of $72.0 million, for the reasons discussed above, and was allocated to the SPG Operating Partnership's based on their preferred unit preferences and weighted average ownership interests in the SPG Operating Partnership during the year.

Preferred distributions increased by $16.6 million to $29.2 million in 1997 as a result of SPG's issuance of $200 million of 8 3/4% Series B cumulative redeemable preferred stock on September 27, 1996 and $150 million of 7.89% Series C Cumulative Step-Up Premium RateSM Preferred Stock on July 9, 1997, partially offset by a reduction in preferred distributions ($2.0 million) resulting from the conversion of the $100 million 8 1/8% Series A convertible preferred stock into 3,809,523 shares of common stock on November 11, 1997.

Liquidity and Capital Resources

As of December 31, 1998, the SPG Operating Partnership's balance of unrestricted cash and cash equivalents was $124.5 million. In addition to its cash balance, the SPG Operating Partnership has a $1.25 billion unsecured revolving credit facility (the "Credit Facility") which had $880.8 million available after outstanding borrowings and letters of credit at December 31, 1998. The Credit Facility bears interest at LIBOR plus 65 basis points and has an initial maturity of September 1999, with a one-year extension available at the SPG Operating Partnership's option. SPG and the SPG Operating Partnership also has access to public equity and debt markets.

Management anticipates that cash generated from operating performance will provide the necessary funds on a short- and long-term basis for its operating expenses, interest expense on outstanding indebtedness, recurring capital expenditures, and distributions to Unitholders. 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: (i) excess cash generated from operating performance; (ii) working capital reserves; (iii) additional debt financing; and (iv) additional equity raised in the public markets.

Sensitivity Analysis. The SPG Operating Partnership's future earnings, cash flows and fair values relating to financial instruments are primarily dependent upon prevalent market rates of interest, primarily LIBOR. Based upon consolidated indebtedness and interest rates at December 31, 1998, a 1% increase in the market rates of interest would decrease future earnings and cash flows by approximately $15.5 million, and would decrease the fair value of debt by approximately $800 million. A 1% decrease in the market rates of interest would increase future earnings and cash flows by approximately $15.5 million, and would increase the fair value of debt by approximately $1.1 billion.

Financing and Debt

At December 31, 1998, the SPG Operating Partnership had consolidated debt of $7,972 million, of which $5,669 million is fixed-rate debt bearing interest at a weighted average rate of 7.3% and $2,303 million is variable-rate debt bearing interest at a weighted average rate of 6.1%. As of December 31, 1998, the SPG Operating Partnership had interest rate protection agreements related to $938 million of consolidated variable-rate debt. The SPG Operating Partnership's hedging activity as a result of these interest rate protection agreements resulted in net interest savings of $263 thousand for the year ended December 31, 1998. This did not materially impact the SPG Operating Partnership's weighted average borrowing rates.

The SPG Operating Partnership's share of total scheduled principal payments of mortgage and other indebtedness, including unconsolidated joint venture indebtedness over the next five years is $4,728 million, with $4,315 million thereafter. The SPG Operating Partnership's together with the SRC Operating Partnership (See Note 1 to the financial statements) have a combined ratio of consolidated debt-to-market capitalization of 51.7% and 46.0% at December 31, 1998 and 1997, respectively. The increase is primarily the result of a 12.8% decrease in the estimated value of the Units.

The following summarizes significant financing and refinancing transactions completed in 1998:

Financings related to the CPI Merger. The cost of the CPI Merger (see below) included the issuance of 53,078,564 shares of common stock and 4,844,331 shares of 6.50% Series B Convertible Preferred Stock to the CPI shareholders. Each share of Series B Convertible Preferred Stock is convertible into 2.586 paired shares of common stock of the Companies, subject to adjustment under certain circumstances described in Note 11 of the financial statements. Also resulting from the CPI Merger, SPG became the issuer of 209,249 shares of 6.50% Series A Convertible Preferred Stock. Each share of which is convertible into 37.995 paired shares of the Companies' common stock, subject to adjustment under the same circumstances as SPG's 6.50% Series B Convertible Preferred Stock described above. On February 26, 1999, 150,000 of such shares were converted.

As described in Note 3 to the financial statements, SPG transferred substantially all of the CPI assets acquired, which consisted primarily of 23 regional malls, one community center, two office buildings and one regional mall under construction (other than one regional mall, Ocean County Mall, and certain net leased properties valued at approximately $153,100) and liabilities assumed (except that SPG remains a co-obligor with respect to the Merger Facility (see below)) of approximately $2.3 billion to the SPG Operating Partnership or one or more subsidiaries of the SPG Operating Partnership in exchange for 47,790,550 limited partnership interests and 5,053,580 preferred partnership interests in the SPG Operating Partnership. The preferred partnership interests carry the same rights and equal the number of preferred shares issued and outstanding as a direct result of the CPI Merger.

To finance the cash portion of the CPI Merger, the SPG Operating Partnership and SPG, as co-obligors, obtained a $1.4 billion unsecured bridge loan (the "Merger Facility"). The Merger Facility bears interest at a base rate of LIBOR plus 65 basis points and has stated maturities at the following intervals (i) $450 million on June 24, 1999 (ii) $450 million on March 24, 2000 and (iii) $500 million on September 24, 2000. In February 1999 the initial $450 million maturity was retired with proceeds from an unsecured debt offering, which is described below. The Merger Facility is subject to covenants and conditions substantially identical to those of the Credit Facility. SPG and the SPG Operating Partnership drew the entire $1.4 billion available on the Merger Facility, along with $237 million on the Credit Facility, to pay for the cash portion of the dividend declared in conjunction with the CPI Merger, as well as closing costs associated with the CPI Merger. Financing costs of $9.5 million, which were incurred to obtain the Merger Facility, are being amortized over 18 months.

Also in conjunction with the CPI Merger, the SPG Operating Partnership transferred substantially all of the CPI assets and $825 million of unsecured notes (the "CPI Notes") to Retail Property Trust ("RPT"), a 99.999% owned REIT subsidiary of the SPG Operating Partnership. As a result, the CPI Notes are structurally senior in right of payment to holders of other SPG Operating Partnership unsecured notes to the extent of the assets of RPT only, with over 99.999% of the excess cash flow plus any capital event transactions available for the other SPG Operating Partnership unsecured notes. The CPI Notes pay interest semiannually, and bear interest ranging from 7.05% to 9.00% (weighted average of 8.03%), and have various due dates through 2016 (average maturity of 9.1 years). The CPI Notes contain leverage ratios, annual real property appraisal requirements, debt service coverage ratios and minimum net worth ratios. Additionally, consolidated mortgages totaling $2.1 million, and a pro-rata share of $143.5 million of nonconsolidated joint venture indebtedness was assumed in the CPI Merger, and as a result of acquiring the remaining interest in Palm Beach Mall, the SPG Operating Partnership began accounting for that Property using the consolidated method of accounting, adding $50.7 million to consolidated indebtedness. A net premium of $19.2 million was recorded in accordance with the purchase method of accounting to adjust the CPI Notes and mortgage indebtedness assumed in the CPI Merger to fair value, which is being amortized over the remaining lives of the related indebtedness.

Secured Indebtedness. During 1998, the SPG Operating Partnership refinanced approximately $545 million of mortgage indebtedness on 19 of its Properties into four separate cross-collateralized and cross-defaulted pools. These refinancings included additional borrowings of approximately $270 million, which the SPG Operating Partnership used primarily to paydown the Credit Facility and for general working capital needs. The weighted average maturity of the indebtedness increased from approximately 5.6 years to 7.1 years, while the weighted average interest rates decreased from approximately 7.6% to 7.3%.

Credit Facility. The maximum and average amounts outstanding during 1998 under the Credit Facility were $992 million and $584 million, respectively.

Equity Financings. During 1998, SPG issued 2,957,335 shares of its common stock in offerings generating aggregate net proceeds of approximately $91.4 million. 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. In addition, SPG issued 519,889 shares of common stock valued at $17.2 million to acquire the remaining 50.1% interest in Rolling Oaks Mall, which was transferred to the SPG Operating Partnership in exchange for 519,889 Units.

Unsecured Notes. On June 22, 1998, the SPG Operating Partnership completed the sale of $1.075 billion of senior unsecured debt securities. The issuance included three tranches of notes as follows (1) $375 million bearing interest at 6.625% and maturing on June 15, 2003 (2) $300 million bearing interest at 6.75% and maturing on June 15, 2005 and (3) $200 million bearing interest at 7.375% and maturing on June 15, 2018. This offering also included a fourth tranche of $200 million of 7.00% Mandatory Par Put Remarketed Securities due June 15, 2028, which are subject to redemption on June 16, 2008. The net proceeds of approximately $1.062 billion were combined with $40 million of working capital and used to retire and terminate a $300 million unsecured revolving credit facility and to reduce the outstanding balance of the Credit Facility.

Additionally, on February 4, 1999, the SPG Operating Partnership completed the sale of $600 million of senior unsecured notes. The notes include two $300 million tranches. The first tranche bears interest at 6.75% and matures on February 4, 2004 and the second tranche bears interest at 7.125% and matures on February 4, 2009. The SPG Operating Partnership used the net proceeds of approximately $594 million to retire the $450 million initial tranche of the Merger Facility and to pay $142 million on the outstanding balance of the Credit Facility. Following this offering, the SPG Operating Partnership had remaining $250 million on its debt shelf registration, under which debt securities may be issued.

The CPI Merger

For financial reporting purposes, as of the close of business on September 24, 1998, pursuant to the Agreement and Plan of Merger dated February 18, 1998, among Simon DeBartolo Group, Inc., Corporate Property Investors, Inc., and Corporate Realty Consultants, Inc., the CPI Merger was consummated. As a result, the consolidated results of operations include an additional 17 regional malls, two office buildings and one community center, with an additional six regional malls being accounted for using the equity method of accounting.

The total purchase price associated with the CPI Merger is approximately $5.9 billion including transaction costs and liabilities assumed. This included a per share dividend paid immediately prior to the CPI Merger to the holders of CPI common stock of (i) $90 in cash, (ii) 1.0818 additional shares of common stock and (iii) 0.19 shares of 6.50% Series B convertible preferred stock. The dividend was paid on a total of 25,496,476 shares of CPI common stock.

See Note 3 to the financial statements for additional information about the CPI Merger.

Acquisitions and Disposals

During 1998, in addition to the CPI Merger, the SPG Operating Partnership acquired 100% of one Property and additional interests in a total of 21 Properties for approximately $657 million, including the assumption of $271 million of indebtedness and 2,864,088 Units valued at approximately $93 million, with the remainder in cash financed primarily through the Credit Facility and working capital. These transactions resulted in the addition of approximately 11.8 million square feet of GLA to the portfolio.

The SPG Operating Partnership and affiliates and several joint venture partners have collectively acquired a 44 percent ownership position in Groupe BEG, S.A. ("BEG"). BEG is a fully integrated European retail real estate developer, lessor and manager. The SPG Operating Partnership and its affiliated Management Company, have contributed $27.5 million of equity capital for a 22% ownership interest and are committed to an additional investment of $28.7 million over the next 12 months, subject to certain financial and other conditions, including the SPG Operating Partnership's approval of development projects. The agreement with BEG is structured to allow the SPG Operating Partnership and affiliates and its joint venture partners to collectively acquire a controlling interest in BEG over time.

Effective June 1, 1998, the SPG Operating Partnership sold The Promenade for $33.5 million. No gain or loss was recognized on this transaction. Effective June 30, 1998, the SPG Operating Partnership sold Southtown Mall for $3.3 million and recorded a $7.2 million loss on the transaction.

See Note 4 to the financial statements for 1997 and 1996 acquisition activity.

On February 25, 1999, the SPG Operating Partnership entered into a definitive agreement with New England Development Company ("NED") to acquire and assume management responsibilities for NED's portfolio of up to 14 regional malls aggregating approximately 10.6 million square feet of GLA. The purchase price for the portfolio is approximately $1.725 billion. The SPG Operating Partnership expects to form a joint venture to acquire the portfolio, with the SPG Operating Partnership's ultimate ownership to be between 30% to 50%.

Management continues to actively review and evaluate a number of individual property and portfolio acquisition opportunities. Management believes that funds on hand and amounts available under the Credit Facility, together with the ability to issue shares of common stock and/or Units, provide the means to finance certain acquisitions. No assurance can be given that the SPG Operating Partnership 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.

Portfolio Restructuring. As a continuing part of the SPG Operating Partnership's long-term strategic plan, management is evaluating the potential sale of 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.

Development Activity

Development activities are an ongoing part of the SPG Operating Partnership's business. During 1998, the SPG Operating Partnership opened two new community shopping centers at a combined cost of approximately $47.3 million, adding 465,500 square-feet of GLA to the portfolio. Each of these new community centers is adjacent to an existing regional mall in the SPG Operating Partnership's portfolio. In addition, The Shops at Sunset Place, a destination-oriented retail and entertainment project containing approximately 510,000 square feet of GLA, opened in January of 1999 in South Miami, Florida. The SPG Operating Partnership owns a noncontrolling 37.5% of this specialty retail center.

Construction also continues on the following projects, which have an aggregate construction cost of approximately $620 million, the SPG Operating Partnership's share of which is approximately $347 million:

- Concord Mills, a 37.5%-owned value-oriented super regional mall project, containing approximately 1.4 million square feet of GLA, is scheduled to open in September of 1999 in Concord (Charlotte), North Carolina.

- The Mall of Georgia, an approximately 1.5 million square foot regional mall project, is scheduled to open in August of 1999. Adjacent to the regional mall, The Mall of Georgia Crossing is an approximately 444,000 square-foot community shopping center project, which is scheduled to open in October of 1999. The SPG Operating Partnership is funding 85% of the capital requirements of the project. The SPG Operating Partnership has a noncontrolling 50% ownership interest in each of these development projects after the return of its equity and a 9% return thereon.

- In addition to Mall of Georgia Crossing, two other new community center projects are under construction: The Shops at North East Plaza and Waterford Lakes at a combined 1,243,000 square feet of GLA.

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. In 1998, the SPG Operating Partnership completed construction and opened nine new expansion and/or renovation projects: Aventura Mall in Miami, Florida; Castleton Square in Indianapolis, Indiana; Independence Center in Independence, Missouri; Irving Mall in Irving, Texas; Prien Lake Mall in Lake Charles, Louisiana; Richardson Square in Dallas, Texas; Tyrone Square in St. Petersburg, Florida; Walt Whitman Mall in Huntington, New York; and West Town Mall in Knoxville, Tennessee.

The SPG Operating Partnership currently has five major expansion projects under construction at an aggregate cost of approximately $465 million, the SPG Operating Partnership's share of which is approximately $422 million:

- A $146 million renovation and expansion of The Shops at Mission Viejo in Mission Viejo, California, including the additions of Nordstrom and Saks Fifth Avenue with expansions of Macy's and Robinsons-May is scheduled for completion in the winter of 1999. In addition, a new food court is scheduled to open late in 2000. The SPG Operating Partnership owns 100% of this mall.

- North East Mall will have an additional 308,000 square feet of GLA including a 73,000 square foot small shop expansion, a new Nordstrom and Saks Fifth Avenue when its $103 million renovation and expansion project, which is scheduled to open in the fall of 2000, is complete. The SPG Operating Partnership owns 100% of this regional mall.

- An approximately 200,000 square-foot small shop expansion of The Florida Mall in Orlando, Florida, as well as the addition of Burdines, is scheduled for completion in November of 1999. Expansions of Dillard's, Parisian and JCPenney are also included in this $86 million project. The SPG Operating Partnership has a noncontrolling 50% ownership interest in this project.

- The $65 million expansion and renovation of Town Center at Boca Raton in Boca Raton, Florida includes the addition of Nordstrom, a relocation of Saks Fifth Avenue, a mall renovation and the expansions of Lord & Taylor and Bloomingdale's, with more than 100,000 additional square feet of small shops. This wholly-owned development project is scheduled for completion in the summer of 2000.

- Richmond Town Square is in the middle of a $57 million renovation and expansion project which includes a new Kaufmann's and a JCPenney renovation that opened in November 1998, a Sears remodel and a new food court scheduled to open in May of 1999 and a new Sony Cinema scheduled to open early in 2000.

The SPG Operating Partnership has a number of smaller renovation and/or expansion projects currently under construction aggregating approximately $200 million, nearly all of which relates to wholly-owned Properties. In addition, preconstruction development continues on a number of project expansions, renovations and anchor additions at additional properties. The SPG Operating Partnership expects to commence construction on many of these projects in the next 12 to 24 months.

It is anticipated that these projects will be financed principally with access to debt and equity markets, existing corporate credit facilities and cash flow from operations.

Capital Expenditures

Consolidated capital expenditures, excluding acquisitions, were $348 million, $332 million and $211 million for the periods ended December 31, 1998, 1997 and 1996, respectively.

	1998	1997	1996
New Developments	$ 22	$ 80	$ 80
Renovations and Expansions	250	197	86
Tenant Allowances--Retail	45	37	24
Tenant Allowances--Offices	1	1	6
Recoverable Capital Expenditures	18	13	11
Other	12	4	4
Total	$ 348	$ 332	$ 211

Distributions

The SPG Operating Partnership declared distributions in 1998 aggregating $2.02 per Unit. On January 20, 1999, the SPG Operating Partnership declared a distribution of $0.5050 per Unit payable on February 19, 1999. For federal income tax purposes, 1% of the 1998 common stock distributions represented a capital gain and 48% represented a return of capital. Future distributions will be determined based on actual results of operations and cash available for distribution.

Investing and Financing Activities

In March 1998, the SPG Operating Partnership transferred its 50% ownership interest in The Source, an approximately 730,000 square-foot regional mall, to a newly formed limited partnership in which it has a 50% ownership interest, with the result that the SPG Operating Partnership now owns an indirect noncontrolling 25% ownership interest in The Source. In connection with this transaction, the SPG Operating Partnership's partner in the newly formed limited partnership is entitled to a preferred return of 8% on its initial capital contribution, a portion of which was distributed to the SPG Operating Partnership. The SPG Operating Partnership applied the distribution against its investment in The Source.

In August 1998, the SPG Operating Partnership admitted an additional partner into the partnership which owns The Shops at Sunset Place for $35 million, which was distributed to the SPG Operating Partnership. The SPG Operating Partnership now holds a 37.5% noncontrolling interest in this Property, which opened in January 1999. The SPG Operating Partnership applied the distribution against its investment in the Property.

Cash used in investing activities for the year ended December 31, 1998 of $2,099 million is primarily the result of the CPI Merger and other acquisitions of $1,943 million, $345 million of capital expenditures and $22 million of investments in and advances to the Management Company, partially offset by net distributions from unconsolidated entities of $140 million, cash received from acquired Properties of $17 million, net proceeds of $46 million from the sales of Sherwood Gardens, The Promenade and Southtown Mall and an $8 million decrease in restricted cash. In addition to the $1,659 million paid in connection with the CPI Merger, acquisitions includes $240 million for the acquisition of the IBM Properties, $41 million for the acquisition of Arboretum and $3 million for the acquisition of Cordova Mall. Capital expenditures includes development costs of $58 million, renovation and expansion costs of approximately $222 million and tenant costs and other operational capital expenditures of approximately $65 million. Development costs include $39 million for the Shops at Sunset Place and $14 million at Waterford Lakes. Net distributions from unconsolidated entities primarily consists of $55 million from Florida Mall, $33 million from The Source transactions described above, $30 million associated with The Shops at Sunset Place transaction described above and $12 million from the IBM Properties.

Cash provided by financing activities for the year ended December 31, 1998 was $1,570 million and includes net borrowings of $1,914 million primarily used to fund the CPI Merger and other acquisition and development activity and contributions from SPG of the proceeds from the sales of its common stock of $93 million, partially offset by total distributions to minority interest partners of consolidated Properties, and partners in the SPG Operating Partnership of $437 million.

Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")

Management believes that there are several important factors that contribute to the ability of the SPG Operating Partnership to increase rent and improve profitability of its shopping centers, including aggregate tenant sales volume, sales per square foot, occupancy levels and tenant costs. Each of these factors has a significant effect on EBITDA. Management believes that EBITDA is an effective measure of shopping center operating performance because: (i) it is industry practice to evaluate real estate properties based on operating income before interest, taxes, depreciation and amortization, which is generally equivalent to EBITDA; and (ii) EBITDA is unaffected by the debt and equity structure of the property owner. EBITDA: (i) does not represent cash flow from operations as defined by generally accepted accounting principles; (ii) should not be considered as an alternative to net income as a measure of operating performance; (iii) is not indicative of cash flows from operating, investing and financing activities; and (iv) is not an alternative to cash flows as a measure of liquidity.

Total EBITDA for the Properties increased from $387 million in 1994 to $1,358 million in 1998, representing a compound annual growth rate of 36.9%. This growth is primarily the result of the CPI Merger ($109 million), the DRC Merger ($418 million), the SCA Acquisition ($123 million), the IBM acquisition ($73 million), and other Properties developed or acquired during the comparative periods ($214 million). The remaining growth in total EBITDA ($33 million) reflects the addition of GLA to the Portfolio Properties through expansions, increased rental rates, increased tenant sales, improved occupancy levels and effective control of operating costs. During this period, the operating profit margin increased from

61.9% to 64.7%. This improvement is also primarily attributable to aggressive leasing of new and existing space and effective control of operating costs.

The following summarizes total EBITDA for the Portfolio Properties and the operating profit margin of such properties, which is equal to total EBITDA expressed as a percentage of total revenue:

	For the Year Ended December 31,				
	1998	1997	1996	1995	1994
			(in thousands)		
EBITDA of consolidated Properties	$ 906,987	$677,930	$ 467,292	$343,875	$290,243
EBITDA of unconsolidated Properties	450,568	262,098	148,030	93,673	96,592
Total EBITDA of Portfolio Properties	$1,357,555	$940,028	$ 615,322	$437,548	$386,835
EBITDA after minority interest (1)	$1,064,157	$746,842	$ 497,215	$357,158	$307,372
Increase in total EBITDA from prior period	44.4%	52.8%	40.6%	13.1%	11.6%
Increase in EBITDA after minority interest from prior period	42.5%	50.2%	39.2%	16.2%	20.0%
Operating profit margin of the Portfolio Properties	64.7%	64.4%	62.5% (2)	63.1%	61.9%

(1) EBITDA after minority interest represents the SPG Operating Partnership's allocable portion of earnings before interest, taxes, depreciation and amortization for all Properties based on its economic ownership in each Property.

(2) The 1996 operating profit margin, excluding the $7.2 million merger integration costs, is 63.2%.

Funds from Operations ("FFO")

FFO, as defined by NAREIT, means the consolidated net income of the SPG Operating Partnership and its subsidiaries without giving effect to real estate related depreciation and amortization, gains or losses from extraordinary items, gains or losses on sales of real estate, gains or losses on investments in marketable securities and any provision/benefit for income taxes for such period, plus the allocable portion, based on the SPG Operating Partnership's economic ownership interest, of funds from operations of unconsolidated joint ventures, all determined on a consistent basis in accordance with generally accepted accounting principles. Management believes that FFO is an important and widely used measure of the operating performance of REITs which provides a relevant basis for comparison among REITs. FFO is presented to assist investors in analyzing the performance of the SPG Operating Partnership. The SPG Operating Partnership's method of calculating FFO may be different from the methods used by other companies. FFO: (i) does not represent cash flow from operations as defined by generally accepted accounting principles; (ii) should not be considered as an alternative to net income as a measure of operating performance or to cash flows from operating, investing and financing activities; and (iii) is not an alternative to cash flows as a measure of liquidity.

The following summarizes FFO of the SPG Operating Partnership and reconciles income before extraordinary items to FFO for the periods presented:

	For the Year Ended December 31,		
	1998	1997	1996
		(in thousands)	
FFO of the SPG Operating Partnership	$540,609	$415,128	$281,495
Increase in FFO from prior period	30.2%	47.5%	42.2%
Reconciliation:			
Income before extraordinary items	$233,256	$203,133	$134,663
Plus:			
Depreciation and amortization from consolidated properties	266,525	200,084	135,226
The SPG Operating Partnership's share of depreciation and amortization and extraordinary items from unconsolidated affiliates	82,323	46,760	20,159
Merger integration costs	--	--	7,236
Loss on sale of real estate	7,283	--	--
Less:			
Gain on the sale of real estate	--	(20)	(88)
Minority interest portion of depreciation, and amortization and extraordinary items	(7,307)	(5,581)	(3,007)
Preferred Unit requirement	(41,471)	(29,248)	(12,694)
FFO of the SPG Operating Partnership	$540,609	$415,128	$281,495

Portfolio Data

Operating statistics give effect to the CPI Merger for 1998 only and the DRC Merger for all periods presented. Statistics include all Properties except for the redevelopment area at Irving Mall, Charles Towne Square, Richmond Town Square and The Shops at Mission Viejo, which are all undergoing extensive redevelopment. The value-oriented super-regional mall category consists of Arizona Mills, Grapevine Mills and Ontario Mills.

Aggregate Tenant Sales Volume and Sales per Square Foot. From 1995 to 1998, total reported retail sales at mall and freestanding GLA owned by the SPG Operating Partnership ("Owned GLA") in the regional malls and all reporting tenants at community shopping centers increased from $7,649 million to $14,504 million. Sales for 1998 includes $3,180 million, $977 million, and $1,041 million from the CPI Properties, the SCA Acquisition, and the IBM Properties, respectively. Excluding these Properties, 1998 sales were $9,305 million, which is a compound annual growth rate of 6.8%. Retail sales at Owned GLA affect revenue and profitability levels because they determine the amount of minimum rent that can be charged, the percentage rent realized, and the recoverable expenses (common area maintenance, real estate taxes, etc.) the tenants can afford to pay.

The following illustrates the total reported sales of tenants at Owned GLA:

Year Ended December 31,	Total Tenant Sales (in millions)	Annual Percentage Increase
1998	$14,504	52.0%
1997	9,539	20.4
1996	7,921	3.6
1995	7,649	--

Regional mall sales per square foot increased 9.0% in 1998 to $343 as compared to $315 in 1997. In addition, sales per square foot of reporting tenants operating for at least two consecutive years ("Comparable Sales") increased from $318 to $346, or 8.8%, from 1997 to 1998. The SPG Operating Partnership believes its strong sales growth in 1998 is the result of its aggressive retenanting efforts and the redevelopment of many of the Properties. Sales per square foot at the community shopping centers decreased in 1998 to $176 as compared to $179 in 1997. Sales statistics for value-oriented super- regional malls are not provided as this category is comprised of newly constructed malls with insufficient history to provide meaningful comparisons.

Occupancy Levels. Occupancy levels for mall and freestanding Owned GLA at the regional malls increased from 87.3% at December 31, 1997, to 89.9% at December 31, 1998. Occupancy levels for all tenants at the value-oriented super-regional malls increased from 93.8% at December 31, 1997, to 98.2% at December 31, 1998. Occupancy levels for all tenants at the community shopping centers increased slightly, from 91.3% at December 31, 1997, to 91.4% at December 31, 1998. Owned GLA has increased 19.4 million square feet from December 31, 1997, to December 31, 1998, primarily as a result of the IBM acquisition, the CPI Merger, the acquisition of the Arboretum, and the 1998 Property openings.

	Occupancy Levels		
December 31,	Regional Malls	Value-Oriented Regional Malls	Community Shopping Centers
1998	89.9%	98.2%	91.4%
1997	87.3	93.8	91.3
1996	84.7	N/A	91.6
1995	85.5	N/A	93.6

Tenant Occupancy Costs. Tenant occupancy costs as a percentage of sales increased from 11.5% in 1997 to 12.2% in 1998 in the regional mall portfolio. A tenant's ability to pay rent is affected by the percentage of its sales represented by occupancy costs, which consist of rent and expense recoveries. As sales levels increase, if expenses subject to recovery are controlled, the tenant can pay higher rent. Management believes the SPG Operating Partnership is one of the lowest-cost providers of retail space, which has permitted the rents in both regional malls and community shopping centers to increase without raising a tenant's total occupancy cost beyond its ability to pay. Management believes continuing efforts to increase sales while controlling property operating expenses will continue the trend of increasing rents at the Properties.

Average Base Rents. Average base rents per square foot of mall and freestanding Owned GLA at regional malls increased 33.8%, from $19.18 in 1995 to $25.67 in 1998. For all tenants at the community shopping centers, average base rents of Owned GLA increased 5.3%, from $7.29 in 1995 to $7.68 in 1998.

The following highlights this trend:

	Average Base Rent per Square Foot					
Year Ended December 31,	Regional Malls	% Change	Value-Oriented Regional Malls	% Change	Community Shopping Centers	% Change
1998	$25.67	8.5%	$16.40	1.2%	$7.68	3.2%
1997	23.65	14.4	16.20	N/A	7.44	(2.7)
1996	20.68	7.8	N/A	N/A	7.65	4.9
1995	19.18	4.4	N/A	N/A	7.29	2.4

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. Such provisions include clauses enabling the SPG Operating Partnership 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 the SPG Operating Partnership 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 the SPG Operating Partnership's exposure to increases in costs and operating expenses resulting from inflation.

However, inflation may have a negative impact on some of the SPG Operating Partnership's 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.

Year 2000 Costs

The SPG Operating Partnership has undertaken a project to identify and correct problems arising from the inability of information technology hardware and software systems to process dates after December 31, 1999. This Year 2000 project consists of two primary components. The first component focuses on the SPG Operating Partnership's key information technology systems (the "IT Component") and the second component focuses on the information systems of key tenants and key third party service providers as well as imbedded systems within common areas of substantially all of the Properties (the "Non-IT Component"). Key tenants include the 20 largest base rent contributors and anchor tenants with over 25,000 square feet of GLA. Key third party service providers are those providers whose Year 2000 problems, if not addressed, would be likely to have a material adverse effect on the SPG Operating Partnership's operations.

The IT Component of the Year 2000 project is being managed by the information services department of the SPG Operating Partnership who have actively involved other disciplines within the SPG Operating Partnership who are directly impacted by an IT Component of the project. The Non-IT Component is being managed by a steering committee of 25 employees, including senior executives of a number of the SPG Operating Partnership's departments. In addition, outside consultants have been engaged to assist in the Non-IT Component.

Status of Project

IT Component. The SPG Operating Partnership's primary operating, financial accounting and billing systems and the SPG Operating Partnership's standard primary desktop software have been determined to be Year 2000 ready. The SPG Operating Partnership's information services department has also completed its assessment of other "mission critical" applications within the SPG Operating Partnership and is currently implementing solutions to those applications in order for them to be Year 2000 ready. It is expected that the implementation of these mission critical solutions will be complete by September 30, 1999.

Non-IT Component. The Non-IT Component includes the following phases: (1) an inventory of Year 2000 items which are determined to be material to the SPG Operating Partnership's operations; (2) assigning priority to identified items; (3) assessing Year 2000 compliance status as to all critical items; (4) developing replacement or contingency plans based on the information collected in the preceding phases; (5) implementing replacement and contingency plans; and (6) testing and monitoring of plans, as applicable.

Phase (1) and Phase (2) are complete and Phase (3) is in process. The assessment of compliance status of key tenants is approximately 82% complete, the assessment of compliance status of key third party service providers is approximately 80% complete, the assessment of compliance status of critical inventoried components at the Properties is approximately 79% complete and the assessment of compliance status of non-critical inventoried components at the Properties is approximately 75% complete. The SPG Operating Partnership expects to complete Phase (3) by April 30, 1999. The development of contingency or replacement plans (Phase (4)) is scheduled to be completed by September 30, 1999. Development of such plans is ongoing. Implementation of contingency and replacement plans (Phase (5)) has commenced and will continue through 1999 to the extent Year 2000 issues are identified. Any required testing (Phase (6)) is to be completed throughout the remainder of 1999.

Costs. The SPG Operating Partnership estimates that it will spend approximately $1.5 million in incremental costs for its Year 2000 project. This amount will be incurred over a period that commenced in January 1997 and is expected to end in September 1999. Costs incurred through December 31, 1998 are estimated at approximately $500 thousand. Such amounts are expensed as incurred. These estimates do not include the costs expended by the SPG Operating Partnership following its 1996 merger with DeBartolo Realty Corporation for software, hardware and related costs necessary to upgrade its primary operating, financial accounting and billing systems, which allowed those systems to, among other things, become Year 2000 compliant.

Risks. The most reasonably likely worst case scenario for the SPG Operating Partnership with respect to the Year 2000 problems would be disruptions in operations at the Properties. This could lead to reduced sales at the Properties and claims by tenants which would in turn adversely affect the SPG Operating Partnership's results of operations.

The SPG Operating Partnership has not yet completed all phases of its Year 2000 project and the SPG Operating Partnership is dependent upon key tenants and key third party suppliers to make their information systems Year 2000 compliant. In addition, disruptions in the economy generally resulting from Year 2000 problems could have an adverse effect on the SPG Operating Partnership's operations.

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, earnings are generally highest in the fourth quarter of each year.

Item 7A. Qualitative and Quantitative Disclosure About Market Risk

Reference is made to Item 7 of this Form 10-K 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 their 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 Statements 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 Statements 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 Statements 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

(b) Reports on Form 8-K

One Form 8-K was filed during the fourth quarter ended December 31, 1998.

On November 2, 1998 under Item 2 Acquisition or Disposition of Assets, Simon Property Group, L.P. filed a Form 8-K to announce the consummation of the merger by and among Simon DeBartolo Group, Inc. (the accounting predecessor to Simon Property Group, Inc.), Corporate Property Investors, Inc. and Corporate Realty Consultants, Inc. (the predecessor to SPG Realty Consultants, Inc.). Also included in the Form 8-K, under Item 7 Financial Statements and Exhibits, was pro forma financial information through September 30, 1998.

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, 1998 and 1997, and the related consolidated statements of operations, partners' equity and cash flows for each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of the SPG Operating Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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, 1998 and 1997, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Indianapolis, Indiana
February 17, 1999.

Balance Sheets
Simon Property Group, L.P. Consolidated

(Dollars in thousands)

	December 31, 1998	December 31, 1997
ASSETS:		
Investment properties, at cost	$ 11,662,860	$ 6,867,354
Less -- accumulated depreciation	709,114	461,792
	10,953,746	6,405,562
Goodwill	58,134	--
Cash and cash equivalents	124,466	109,699
Restricted cash	867	8,553
Tenant receivables and accrued revenue, net	217,341	188,359
Notes and advances receivable from Management Company and affiliates	115,378	93,809
Note receivable from SRC (Interest at 6%, due 2013)	20,565	--
Investment in partnerships and joint ventures, at equity	1,303,251	612,140
Investment in Management Company and affiliates	10,037	3,192
Other investment	50,176	53,785
Deferred costs and other assets	226,817	164,413
Minority interest	32,138	23,155
Total assets	$ 13,112,916	$ 7,662,667
LIABILITIES:		
Mortgages and other indebtedness	$ 7,972,381	$ 5,077,990
Notes payable to SRC (Interest at 8%, due 2008)	17,907	--
Accounts payable and accrued expenses	410,445	245,121
Cash distributions and losses in partnerships and joint ventures, at equity	29,139	20,563
Other liabilities	95,243	67,694
Total liabilities	8,525,115	5,411,368
COMMITMENTS AND CONTINGENCIES (Note 13)		
PARTNERS' EQUITY:		
Preferred units, 16,053,580 and 11,000,000 units outstanding, respectively	1,057,245	339,061
General Partners, 161,487,017 and 109,643,001 units oustanding, respectively	2,540,660	1,231,031
Limited Partners, 64,182,157 and 61,850,762 units outstanding, respectively	1,009,646	694,437
Unamortized restricted stock award	(19,750)	(13,230)
Total partners' equity	4,587,801	2,251,299
Total liabilities and partners' equity	$ 13,112,916	$ 7,662,667

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,		
	1998	1997	1996
REVENUE:			
Minimum rent	$ 847,198	$ 641,352	$ 438,089
Overage rent	49,441	38,810	30,810
Tenant reimbursements	427,921	322,416	233,974
Other income	75,629	51,589	44,831
Total revenue	1,400,189	1,054,167	747,704
EXPENSES:			
Property operating	225,899	176,846	129,094
Depreciation and amortization	266,978	200,900	135,780
Real estate taxes	133,038	98,830	69,173
Repairs and maintenance	53,189	43,000	31,779
Advertising and promotion	50,521	32,891	24,756
Merger integration costs	--	--	7,236
Provision for credit losses	6,599	5,992	3,460
Other	23,956	18,678	14,914
Total operating expenses	760,180	577,137	416,192
OPERATING INCOME	640,009	477,030	331,512
INTEREST EXPENSE	420,280	287,823	202,182
INCOME BEFORE MINORITY INTEREST	219,729	189,207	129,330
MINORITY INTEREST	(7,335)	(5,270)	(4,300)
GAINS (LOSS) ON SALES OF ASSETS, NET	(7,283)	20	88
INCOME BEFORE UNCONSOLIDATED ENTITIES	205,111	183,957	125,118
INCOME FROM UNCONSOLIDATED ENTITIES	28,145	19,176	9,545
INCOME BEFORE EXTRAORDINARY ITEMS	233,256	203,133	134,663
EXTRAORDINARY ITEMS	7,146	58	(3,521)
NET INCOME	240,402	203,191	131,142
PREFERRED UNIT REQUIREMENT	(41,471)	(29,248)	(12,694)
NET INCOME AVAILABLE TO UNITHOLDERS	198,931	$ 173,943	$ 118,448
NET INCOME AVAILABLE TO UNITHOLDERS ATTRIBUTABLE TO:			
General Partner	$ 130,752	$ 107,989	$ 72,561
Limited Partners	68,179	65,954	45,887
Net income	$ 198,931	$ 173,943	$ 118,448
BASIC EARNINGS PER UNIT:			
Income before extraordinary items	$ 1.01	$ 1.08	$ 1.02
Extraordinary items	0.04	--	(0.03)
Net income	$ 1.05	$ 1.08	$ 0.99
DILUTED EARNINGS PER UNIT:			
Income before extraordinary items	$ 1.01	$ 1.08	$ 1.01
Extraordinary items	0.04	--	(0.03)
Net income	$ 1.05	$ 1.08	$ 0.98

The accompanying notes are an integral part of these statements.

Statements of Partners' Equity
Simon Property Group, L.P. Consolidated

(Dollars in thousands)

	Preferred Units	General Partners	Limited Partners	Unamortized Restricted Stock Award	Total Partners' Equity	Limited Partners' Equity Interest
Balance at December 31, 1995	$ 99,923	$ (686,362)	$ --	$ (2,687)	$ (589,126)	$ 908,764
1996 Adjustment to reflect limited partners' interest at Historical Value (Note 11)		822,072	86,692		908,764	(908,764)
	99,923	135,710	86,692	(2,687)	319,638	--
General Partner Contributions (442,225 units)		10,518			10,518	
Units issued in connection with Merger (37,877,965 and 23,219,012 units, respectively)		922,379	565,448		1,487,827	
Other unit issuances (472,410 units)			275		275	
Preferred units issued, net of issuance costs (8,000,000 units)	192,989				192,989	
Stock incentive program (200,030 units)		4,751		(4,751)	--	
Amortization of stock incentive				2,084	2,084	
Adjustment to allocate net equity of the Operating Partnership		(14,382)	14,382			
Net income	12,694	72,561	45,887		131,142	
Distributions	(12,694)	(114,142)	(72,401)		(199,237)	
Other		(62)			(62)	
Balance at December 31, 1996	292,912	1,017,333	640,283	(5,354)	1,945,174	
General Partner Contributions (6,311,273 units)		200,920			200,920	
Units issued in connection with acquisitions (2,193,037 and 876,712, respectively)		70,000	26,408		96,408	
Stock incentive program (448,753 units)		14,016		(13,262)	754	
Amortization of stock incentive				5,386	5,386	
Preferred units issued, net of issuance costs (3,000,000 units)	146,072				146,072	
Conversion of 4,000,000 Series A preferred units into 3,809,523 common units	(99,923)	99,923			--	
Adjustment to allocate net equity of the Operating Partnership		(82,869)	82,869		--	
Unrealized gain on long-term investments		2,420	1,365		3,785	
Net income	29,248	107,989	65,954		203,191	
Distributions	(29,248)	(198,701)	(122,442)		(350,391)	
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 3):						
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	2,500	(289)		2,479	
Adjustment to allocate net equity of						

the Operating Partnership		(308,922)	308,922		--
Distributions	(41,471)	(242,603)	(136,551)		(420,625)
Subtotal	1,015,774	2,412,202	942,782	(19,750)	4,351,008
Comprehensive Income:					
Net income	41,471	130,752	68,179		240,402
Unrealized gain on long-term investments		(2,294)	(1,315)		(3,609)
Total Comprehensive Income	41,471	128,458	66,864	--	236,793
Balance at December 31, 1998	$1,057,245	$ 2,540,660	$ 1,009,646	$ (19,750)	$ 4,587,801

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,		
	1998	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 240,402	$ 203,191	$ 131,142
Adjustments to reconcile net income to net cash provided by operating activities--			
Depreciation and amortization	277,346	208,539	143,582
Extraordinary items	(7,146)	(58)	3,521
Loss (gains) on sales of assets, net	7,283	(20)	(88)
Straight-line rent	(9,261)	(9,769)	(3,502)
Minority interest	7,335	5,270	4,300
Equity in income of unconsolidated entities	(28,145)	(19,176)	(9,545)
Changes in assets and liabilities--			
Tenant receivables and accrued revenue	(13,316)	(23,284)	(6,422)
Deferred costs and other assets	(7,289)	(30,203)	(12,756)
Accounts payable, accrued expenses and other liabilities	76,454	36,417	(13,768)
Net cash provided by operating activities	543,663	370,907	236,464
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisitions	(1,942,724)	(980,427)	(56,069)
Capital expenditures	(345,026)	(305,178)	(195,833)
Cash from Mergers, acquisitions and consolidation of joint ventures, net	16,563	19,744	37,053
Change in restricted cash	7,686	(2,443)	1,474
Proceeds from sale of assets	46,087	599	399
Investments in unconsolidated entities	(55,523)	(47,204)	(62,096)
Distributions from unconsolidated entities	195,497	144,862	36,786
Investments in and advances (to)/from Management Company	(21,569)	(18,357)	38,544
Other investing activities	--	(55,400)	--
Net cash used in investing activities	(2,099,009)	(1,243,804)	(199,742)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Partnership contributions	92,570	344,438	201,704
Partnership distributions	(417,164)	(350,391)	(257,403)
Minority interest distributions, net	(19,694)	(219)	(5,115)
Mortgage and other note proceeds, net of transaction costs	3,782,314	2,976,222	1,293,582
Mortgage and other note principal payments	(1,867,913)	(2,030,763)	(1,267,902)
Other refinancing transaction	--	(21,000)	--
Net cash provided by (used in) financing activities	1,570,113	918,287	(35,134)
INCREASE IN CASH AND CASH EQUIVALENTS	14,767	45,390	1,588
CASH AND CASH EQUIVALENTS, beginning of period	109,699	64,309	62,721
CASH AND CASH EQUIVALENTS, end of period	$ 124,466	$ 109,699	$ 64,309

The accompanying notes are an integral part of these statements.

1. Organization

Simon Property Group, L.P. (the "SPG Operating Partnership"), a Delaware limited partnership, formerly known as Simon DeBartolo Group, L.P. ("SDG, LP"), 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 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 with a beneficial interest in 1/100th of 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, 1998, the SPG Operating Partnership owned or held an interest in 240 income-producing properties, which consisted of 152 regional malls, 77 community shopping centers, three specialty retail centers, five office and mixed-use properties and three value-oriented super-regional malls in 35 states (the "Properties"). The SPG Operating Partnership also owned interests in one regional mall, one value-oriented super-regional mall, one specialty center and three community centers currently under construction and eleven parcels of land held for future development (collectively, the "Development Properties", and together with the Properties, the "Portfolio Properties"). At December 31, 1998 and 1997, SPG's direct and indirect ownership interests in the SPG Operating Partnership was 71.6% and 63.9%, respectively. 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 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, 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, 1998, 312 of the approximately 871 anchor stores in the Properties were occupied by three retailers. An affiliate of one of these retailers is a limited partner in the SPG Operating Partnership.

2. Basis of Presentation

The accompanying consolidated financial statements of the SPG Operating Partnership 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 3) as of the close of business on September 24, 1998. Operating results prior to the CPI Merger represent the operating results of SDG, LP.

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles, 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.

Properties which are wholly-owned ("Wholly-Owned Properties") or owned less than 100% and are controlled by the SPG Operating Partnership ("Minority Interest Properties") are accounted for using the consolidated 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 14.7% to 85.0% direct and indirect 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) and cash contributions and distributions.

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 1998, 1997 and 1996 were 66.2%, 62.1% and 61.2%, respectively. At December 31, 1998 and 1997, SPG's direct and indirect ownership interest was 71.6% and 63.9%, respectively.

3. CPI Merger

For financial reporting purposes, 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. ("SDG"), Corporate Property Investors, Inc. ("CPI"), and Corporate Realty Consultants, Inc. ("CRC").

Pursuant to the terms of the CPI Merger, SPG Merger Sub, Inc., a substantially wholly-owned subsidiary of CPI, merged with and into SDG with SDG continuing as the surviving company. SDG became a majority-owned subsidiary of CPI. The outstanding shares of common stock of SDG were exchanged for a like number of shares of CPI. Beneficial interests in CRC were acquired for $14,000 in order to pair the common stock of CPI with 1/100th of a share of common stock of CRC, the paired share affiliate.

Immediately prior to the consummation of the CPI Merger, the holders of CPI common stock were paid a merger dividend consisting of (i) $90 in cash, (ii) 1.0818 additional shares of CPI common stock and (iii) 0.19 shares of 6.50% Series B convertible preferred stock of CPI per share of CPI common stock. Immediately prior to the CPI Merger, there were 25,496,476 shares of CPI common stock outstanding. The aggregate value associated with the completion of the CPI Merger was approximately $5.9 billion including transaction costs and liabilities assumed.

To finance the cash portion of the CPI Merger consideration, $1.4 billion was borrowed under a new senior unsecured medium term bridge loan, which bears interest at a base rate of LIBOR plus 65 basis points and matures in three mandatory amortization payments (on June 22, 1999, March 24, 2000 and September 24, 2000). An additional $237,000 was also borrowed under the SPG Operating Partnership's existing $1.25 billion credit facility (the "Credit Facility"). 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 SDG and 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, which consisted primarily of 23 regional malls, one community center, two office buildings and one regional mall under construction (other than one regional mall, Ocean County Mall, and certain net leased properties valued at approximately $153,100) and liabilities assumed (except that SPG remains a co-obligor with respect to the Merger Facility (see Note 9)) of approximately $2.3 billion to the SPG Operating Partnership or one or more subsidiaries of the SPG Operating Partnership in exchange for 47,790,550 limited partnership interests and 5,053,580 preferred partnership interests in the SPG Operating Partnership. The preferred partnership interests carry the same rights and equal the number of preferred shares issued and outstanding as a direct result of the CPI Merger.

SPG accounted for the merger between SDG and the CPI merger subsidiary as a reverse purchase in accordance with Accounting Principles Board Opinion No. 16. Although paired shares of the former CPI and CRC were issued to SDG common stock holders and SDG became a substantially wholly owned subsidiary of CPI following the CPI Merger, CPI is considered the business acquired for accounting purposes. SDG is considered the acquiring company because the SDG common stockholders hold a majority of the common stock of SPG, post-merger. The value of the consideration paid by SDG has been allocated to the estimated fair value of the CPI assets acquired and liabilities assumed which resulted in goodwill of $58,134, as adjusted. Goodwill is being amortized over the estimated life of the properties of 35 years. Purchase accounting will be finalized when the SPG Operating Partnership completes and implements its combined operating plan, which is expected to occur by the third quarter of 1999.

SDG, LP contributed $14,000 cash to CRC and $8,000 cash to 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 SDG Operating Partnership would hold the same proportionate interest in the SRC Operating Partnership that they hold in the SDG Operating Partnership. The cash contributed to CRC and the SRC Operating Partnership on behalf of the partners of SDG, LP was accounted for as a distribution to the partners.

4. The DRC Merger and Other Real Estate Acquisitions, Disposals and Developments

The DRC Merger

On August 9, 1996, the national shopping center business of DeBartolo Realty Corporation and subsidiaries ("DRC") was acquired for an aggregate value of $3.0 billion (the "DRC Merger"). The acquired portfolio consisted of 49 regional malls, 11 community centers and 1 mixed-use Property. These Properties included 47,052,267 square feet of retail space gross leasable area ("GLA") and 558,636 of office GLA. Pursuant to the DRC Merger, SPG acquired all the outstanding common stock of DRC (55,712,529 shares), at an exchange ratio of 0.68 shares of SPG's common stock for each share of DRC common stock. A total of 37,873,965 shares of SPG's common stock was issued by SPG, to the DRC shareholders. DRC and the acquisition subsidiary merged. DRC became a 99.9% subsidiary of SPG and changed its name to SD Property Group, Inc. The purchase price was allocated to the fair value of the assets and liabilities using the purchase method of accounting.

In connection with the DRC Merger, the general and limited partners of Simon Property Group, LP ("Old SPG, LP"), which was SPG Properties, Inc.'s ("Old SPG") initial operating partnership, contributed 49.5% (47,442,212 Units) of the total outstanding Units in Old SPG, LP to the operating partnership of DRC, DeBartolo Realty Partnership, L.P. ("DRP, LP") in exchange for 47,442,212 Units in DRP, LP, whose name was changed to Simon DeBartolo Group, L.P. Old SPG retained a 50.5% partnership interest (48,400,641 Units) in Old SPG, LP but assigned its rights to receive distributions of profits on 49.5% (47,442,212 Units) of the outstanding Units of partnership interest in Old SPG, LP to SDG, LP. The limited partners of DRP, LP approved the contribution made by the partners of Old SPG, LP and simultaneously exchanged their 38.0% (34,203,623 Units) partnership interest in DRP, LP, adjusted for the Exchange Ratio, for a smaller partnership interest in SDG, LP. The exchange of the limited partners' 38.0% partnership interest in DRP, LP for Units of SDG, LP has been accounted for as an acquisition of minority interest by Old SPG and is valued based on the estimated fair value of the consideration issued (approximately $566,900). The Units of SDG, LP may under certain circumstances be exchangeable for common stock of Old SPG on a one-for-one basis. Therefore, the value of the acquisition of the DRP, LP limited partners' interest acquired was based upon the number of DRP, LP Units exchanged (34,203,623), the Exchange Ratio and the last reported sales price per share of Old SPG's common stock on August 9, 1996 ($24.375). The limited partners of Old SPG, LP received a 23.7% partnership interest in SDG, LP (37,282,628 Units) for the contribution of their 38.9% partnership interest in Old SPG, LP (37,282,628 Units) to SDG, LP. The interests transferred by the partners of Old SPG, LP to DRP, LP have been appropriately reflected at historical costs.

Upon completion of the DRC Merger, Old SPG became a general partner of SDG, LP with 36.9% (57,605,796 Units) of the outstanding partnership Units in SDG, LP and became the managing general partner of Old SPG, LP with 24.3% (37,873,965 Units in Old SPG, LP) of the outstanding partnership Units in Old SPG, LP. Old SPG remained the sole general partner of Old SPG, LP with 1% of the outstanding partnership Units (958,429 Units) and 49.5% interest in the capital of Old SPG, LP, and SDG, LP became a special limited partner in Old SPG, LP with 49.5% (47,442,212 Units) of the outstanding partnership Units in Old SPG, LP and an additional 49.5% interest in the profits of Old SPG, LP. Old SPG, LP did not acquire any interest in SDG, LP. Upon completion of the DRC Merger, Old SPG directly and indirectly owned a controlling 61.2% (95,479,761 Units) partnership interest in SDG, LP.

For financial reporting purposes, the completion of the DRC Merger resulted in a reverse acquisition by Old SPG, using the purchase method of accounting, directly or indirectly, of 100% of the net assets of DRP, LP for consideration valued at $1.5 billion, including related transaction costs. The purchase price was allocated to the fair value of the assets and liabilities. Final adjustments to the purchase price allocation were not completed until 1997, however no material changes were recorded in 1997.

Although Old SPG was the accounting acquirer, the SPG Operating Partnership (formerly SDG, LP, and before that, DRP, LP) became the primary operating partnership through which the business of Old SPG was being conducted. As a result of the DRC Merger, Old SPG, LP became a subsidiary of SDG, LP with 99% of the profits allocable to SDG, LP and 1% of the profits allocable to Old SPG Cash flow allocable to Old SPG's 1% profit interest in SDG, LP was absorbed by public company costs and related expenses incurred by Old SPG However, because Old SPG was the accounting acquirer and, upon completion of the DRC Merger, acquired majority control of SDG, LP; Old SPG, LP is the predecessor to SDG, LP for financial reporting purposes. Accordingly, the financial statements of SDG, LP for the post-Merger periods reflect the reverse acquisition of DRP, LP by Old SPG and for all pre-Merger comparative periods, the financial statements of SDG, LP reflect the financial statements of Old SPG, LP as the predecessor to SDG, LP for financial reporting purposes.

On December 31, 1997, Old SPG, LP merged into the SDG, LP.

Acquisitions and Disposals

On January 26, 1998, the SPG Operating Partnership acquired Cordova Mall in Pensacola, Florida for approximately $87,300, including the assumption of a $28,935 mortgage, which was later retired, and the issuance of 1,713,016 Units, valued at approximately $55,500. This 874,000 square-foot regional mall is wholly-owned by the SPG Operating Partnership.

Effective May 5, 1998, in a series of transactions, the SPG Operating Partnership acquired the remaining 50.1% interest in Rolling Oaks Mall for 519,889 shares of SPG's common stock, valued at approximately $17,176. The interest was transferred to the SPG Operating Partnership in exchange for 519,889 Units.

Effective June 30, 1998, the SPG Operating Partnership sold Southtown Mall for $3,250 and recorded a $7,219 loss on the transaction.

On December 7, 1998, a joint venture partnership, in which the SPG Operating Partnership owns a controlling 90% interest, purchased The Arboretum, a 209,000 square-foot community center in Austin, Texas. Concurrent with the acquisition, the joint venture obtained a $34,000 mortgage on the Property bearing interest at LIBOR plus 1.5%. The SPG Operating Partnership's share of the $45,000 purchase price was $40,500, which was funded primarily with the net proceeds of the mortgage, with the remainder being funded from working capital.

On September 29, 1997, the SPG Operating Partnership completed its cash tender offer for all of the outstanding shares of beneficial interests of The Retail Property Trust ("RPT"), a private REIT. RPT owned 98.8% of Shopping Center Associates ("SCA"), which owned or had interests in twelve regional malls and one community center, comprising approximately twelve million square feet of GLA in eight states (the "SCA Properties"). During 1997, the SPG Operating Partnership exchanged its 50% interests in two SCA Properties to a third party for the remaining 50% interests in two other SCA Properties, acquired the remaining 50% ownership interest in another of the SCA Properties and acquired the remaining 1.2% interest in SCA. During 1998, the SPG Operating Partnership sold the community center and a regional mall for $9,550 and $33,500, respectively. These Property sales were accounted for as an adjustment to the allocation of the purchase price. At the completion of these transactions (the "SCA Acquisition"), the SPG Operating Partnership owns 100% of eight of the nine SCA Properties, and a noncontrolling 50% ownership interest in the remaining Property. The total cost for the acquisition of SCA and related transactions of approximately $1,300,000 includes shares of common stock of SPG valued at approximately $50,000, Units in the SPG Operating Partnership valued at approximately $25,300, the assumption of $398,500 of consolidated indebtedness and the SPG Operating Partnership's pro rata share of joint venture indebtedness of $76,750, with the remainder comprising primarily of cash financed using the Credit Facility. On September 15, 1998, RPT transferred its ownership interest in SCA to the SPG Operating Partnership in exchange for 27,195,109 Units in the SPG Operating Partnership.

Also in 1997, the SPG Operating Partnership acquired a 100% ownership interest in the Fashion Mall at Keystone at the Crossing, along with an adjacent community center; the remaining 30% ownership interest in Virginia Center Commons; a noncontrolling 50% ownership of Dadeland Mall; and an additional noncontrolling 48% ownership interest of West Town Mall, increasing its total ownership interest to 50%. The SPG Operating Partnership paid an aggregate purchase price of approximately $322,000 for these acquisitions, which included Units in the SPG Operating Partnership valued at $21,100, and the assumption of $64,772 of mortgage indebtedness, with the remainder paid in cash primarily using proceeds from the Credit Facility, sales of equity securities and working capital.

In 1996, the SPG Operating Partnership acquired the remaining 50% ownership interest in two regional malls for 472,410 Units in the SPG Operating Partnership, the assumption of $57,000 of mortgage indebtedness and $56,100 in cash, primarily using proceeds from the Credit Facility and working capital.

See also Note 7 for Joint Venture Property acquisition and disposal activity.

Development Activity

Development activities are an ongoing part of the SPG Operating Partnership's strategy to gain a competitive advantage in the retail real estate business. During 1998, 1997 and 1996, the SPG Operating Partnership invested approximately $102,000, $230,000 and $169,000, respectively on new consolidated and unconsolidated joint venture development projects adding approximately 577,000; 3,600,000; and 3,160,000 square feet of GLA to its portfolio. In addition, The Shops at Sunset Place, a destination-oriented retail and entertainment project containing approximately 510,000 square feet of GLA opened in January of 1999 in South Miami, Florida. Construction also continues on several other projects at an aggregate construction cost of approximately $620,000, of which approximately $347,000 is the SPG Operating Partnership's share. These developments are funded primarily with borrowings from the Credit Facility, construction loans and working capital.

In addition, the SPG Operating Partnership strives to increase profitability and market share of the existing Properties through the completion of strategic renovations and expansions. During 1998, 1997 and 1996, the SPG Operating Partnership invested approximately $337,000, $229,000 and $93,000, respectively on renovation and expansion of the Properties. These projects were also funded primarily with borrowings from the Credit Facility, construction loans and working capital.

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 and the SCA Acquisition had occurred as of January 1, 1997, and were 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 actually would have occurred if the CPI Merger and the SCA Acquisition had been consummated at January 1, 1997, nor does it purport to represent the results of operations for future periods.

	Year Ended December 31,	
	1998	1997
Revenue	$ 1,695,204	$ 1,566,821
Net income (1)	273,088	300,256
Net income available to Unitholders (1)	191,312	225,808
Net income per Unit (1)	$ 0.85	$ 1.07
Net income per Unit - assuming dilution	$ 0.85	$ 1.07
Weighted average number of Units	224,041,500	210,977,382
Weighted average number of Units - assuming dilution	224,398,649	211,361,446

(1) Includes net gains on the sales of assets in 1998 and 1997 of $37,973 and $123,689, respectively, or $0.17 and $0.59 on a basic earnings per Unit basis, respectively.

5. Summary of Significant Accounting Policies

Investment Properties

Investment Properties are recorded at cost (predecessor cost for Properties acquired from Melvin Simon, Herbert Simon and certain of their affiliates (the "Simons")). 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 will be 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.

Capitalized Interest

Interest is capitalized on projects during periods of construction. Interest capitalized during 1998, 1997 and 1996 was $10,567, $11,589 and $5,831, respectively.

Segment Disclosure

The SPG Operating Partnership is engaged in the business of owning, operating, managing, leasing, expanding and developing retail real estate properties. Although the SPG Operating Partnership's regional mall portfolio and office and mixed-use Properties are looked at internally on a divisional basis, the chief executive officer makes resource allocation and other operating decisions based on an evaluation of the entire portfolio. The SPG Operating Partnership's interests in its community centers and other assets have been aggregated with the regional malls as they have similar economic and environmental conditions, business processes, types of customers (i.e. tenants) and services provided. Further, the community centers, offices and other assets each represent less than 10% and in total represent less than 15% of the SPG Operating Partnership's total assets, revenues and earnings before interest, taxes, depreciation and amortization.

Other Investment

Investments in securities classified as available for sale are reflected at market value with the changes in market value reflected in partners' equity.

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 consist of the following:

	December 31,	
	1998	1997
Deferred financing costs	$101,215	$ 72,348
Leasing costs and other	141,090	121,060
	242,305	193,408
Less-accumulated amortization	115,283	87,666
Deferred costs, net	$127,022	$105,742

Interest expense in the accompanying Consolidated Statements of Operations includes amortization of deferred financing costs of $11,835, $8,338 and $8,434, for 1998, 1997 and 1996, respectively, and has been reduced by amortization of debt premiums and discounts of $1,465, $699 and $632 for 1998, 1997 and 1996, 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. Overage rents are 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.

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 1998, 1997 and 1996 was as follows:

Year Ended	Balance at Beginning of Year	Provision for Credit Losses	Accounts Written Off	Balance at End of Year
December 31, 1998	$13,804	$ 6,599	$(5,927)	$14,476
December 31, 1997	$ 7,918	$ 5,992	$ (106)	$13,804
December 31, 1996	$ 5,485	$ 3,460	$(1,027)	$ 7,918

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.

Taxable income of the SPG Operating Partnership for the year ended December 31, 1998, is estimated to be $281,000 and was $172,943 and $164,008 for the years ended 1997 and 1996, respectively. Reconciling differences between book income and tax income primarily result from timing differences consisting of (i) depreciation expense, (ii) prepaid rental income and (iii) straight-line rent. Furthermore, the Operating Partnership's share of income or loss from the affiliated Management Company is excluded from the tax return of the Operating Partnership.

Per Unit Data

Effective January 1, 1998, the SPG Operating Partnership retroactively adopted SFAS No. 128 (Earnings Per Share). Accordingly, 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 weighted average number of Units used in the computation for 1998, 1997 and 1996 was 189,082,385; 161,022,887; and 120,181,895, respectively. The diluted weighted average number of equivalent Units used in the computation for 1998, 1997 and 1996 was 189,439,534; 161,406,951 and 120,317,426, respectively.

Preferred Units issued and outstanding during the comparative periods did not have a dilutive effect on earnings per Unit. Units held by limited partners in the SPG Operating Partnership may be exchanged for paired shares of common stock of the Companies, 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, including 304,210 additional options issued in connection with the CPI Merger. Basic earnings and diluted earnings were the same for all periods presented.

It is the SPG Operating Partnership's policy to accrue distributions when they are declared. The SPG Operating Partnership declared distributions in 1998 and 1997 aggregating $2.02 and $2.01 per Unit, respectively. The current annual distribution rate is $2.02 per Unit. The following is a summary of distributions per Unit declared in 1998 and 1997:

	For the Year Ended December 31,	
Distributions per Unit:	1998	1997
From book net income	$1.05	$1.08
Representing return of capital	0.97	0.93
Total distributions	$2.02	$2.01

On a federal income tax basis, 1% of the SPG Operating Partnership's 1998 distributions represented a capital gain and 48% represented a return of capital. In 1997, none of the distributions represented a capital gain and 35% represented a return of capital.

Statements of Cash Flows

For purposes of the Statements of Cash Flows, all highly liquid investments purchased with an original maturity of 90 days or less are considered cash and cash equivalents. Cash equivalents are carried at cost, which approximates market value. Cash equivalents generally consist of commercial paper, bankers acceptances, Eurodollars, repurchase agreements and Dutch auction securities. Cash and cash equivalents do not include restricted cash of $867 and $8,553 as of December 31, 1998 and 1997, respectively, to fund certain future capital expenditures.

Cash paid for interest, net of any amounts capitalized, during 1998, 1997 and 1996 was $397,545; $270,912; and $191,965, respectively.

Noncash Transactions

Accrued and unpaid distributions were $3,428 at December 31, 1998 and represented distributions payable on the SPG Operating Partnership's Series A Preferred Units, which are paid semiannually on March 31 and September 30 of each year. Please refer to Notes 3, 4, 7 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.

6. Investment Properties

Investment properties consist of the following:

	December 31,	
	1998	1997
Land	$ 2,066,461	$1,253,953
Buildings and improvements	9,537,310	5,560,112
Total land, buildings and improvements	11,603,771	6,814,065
Furniture, fixtures and equipment	59,089	53,289
Investment properties at cost	11,662,860	6,867,354
Less--accumulated depreciation	709,114	461,792
Investment properties at cost, net	$10,953,746	$6,405,562

Investment properties includes $184,799 and $158,609 of construction in progress at December 31, 1998 and 1997, respectively.

7. Investment in Partnerships and Joint Ventures

Joint Venture Property Acquisitions and Dispositions

On February 27, 1998, the SPG Operating Partnership, in a joint venture partnership with The Macerich Company ("Macerich"), acquired a portfolio of twelve regional malls and two community centers (the "IBM Properties") comprising approximately 10.7 million square feet of GLA at a purchase price of $974,500, including the assumption of $485,000 of indebtedness. The SPG Operating Partnership and Macerich, as noncontrolling 50/50 partners in the joint venture, were each responsible for one half of the purchase price, including indebtedness assumed and each 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.

In March 1998, the SPG Operating Partnership transferred its 50% ownership interest in The Source, an approximately 730,000 square-foot regional mall, to a newly formed limited partnership in which it has a 50% ownership interest, with the result that the SPG Operating Partnership now owns an indirect noncontrolling 25% ownership interest in The Source. In connection with this transaction, the SPG Operating Partnership's partner in the newly formed limited partnership is entitled to a preferred return of 8% on its initial capital contribution, a portion of which was distributed to the SPG Operating Partnership. The SPG Operating Partnership applied the distribution against its investment in The Source.

In August 1998, the SPG Operating Partnership admitted an additional partner into the partnership which owns The Shops at Sunset Place for $35,200, which was distributed to the SPG Operating Partnership. The SPG Operating Partnership now holds a 37.5% noncontrolling interest in this Property, which opened in January 1999. The SPG Operating Partnership applied the distribution against its investment in the Property.

Joint Venture Property Summary Financial Information

Summary financial information of partnerships and joint ventures accounted for using the equity method and a summary of the SPG Operating Partnership's investment in and share of income from such partnerships and joint ventures follows.

BALANCE SHEETS	December 31, 1998	December 31, 1997
Assets:		
Investment properties at cost, net	$4,265,022	$2,734,686
Cash and cash equivalents	171,553	101,582
Tenant receivables	140,579	87,008
Other assets	126,112	71,873
Total assets	$4,703,266	$2,995,149
Liabilities and Partners' Equity:		
Mortgages and other notes payable	$2,861,589	$1,888,512
Accounts payable, accrued expenses and other liabilities	223,631	212,543
Total liabilities	3,085,220	2,101,055
Partners' equity	1,618,046	894,094
Total liabilities and partners' equity	$4,703,266	$2,995,149
The SPG Operating Partnership's Share of:		
Total assets	$1,905,459	$1,009,691
Partners' equity	$ 565,496	$ 227,458
Add: Excess Investment	708,616	364,119
The SPG Operating Partnership's net Investment in Joint Ventures	$1,274,112	$ 591,577

STATEMENTS OF OPERATIONS	For the Year Ended December 31, 1998	1997	1996
Revenue:			
Minimum rent	$ 442,530	$ 256,100	$ 144,166
Overage rent	18,465	10,510	7,872
Tenant reimbursements	204,936	120,380	73,492
Other income	30,564	19,364	11,178
Total revenue	696,495	406,354	236,708
Operating Expenses:			
Operating expenses and other	245,927	144,256	88,678
Depreciation and amortization	129,681	85,423	50,328
Total operating expenses	375,608	229,679	139,006
Operating Income	320,887	176,675	97,702
Interest Expense	176,669	96,675	48,918
Extraordinary Items- Debt Extinguishments	(11,058)	(1,925)	(1,314)
Net Income	$ 133,160	$ 78,075	$ 47,470
Third-Party Investors' Share of Net Income	88,242	55,507	38,283
The SPG Operating Partnership's Share of Net Income	$ 44,918	$ 22,568	$ 9,187
Amortization of Excess Investment	22,625	13,878	5,127
Income from Unconsolidated Entities	$ 22,293	$ 8,690	$ 4,060

As of December 31, 1998 and 1997, 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 ("Excess Investment") was $708,616 and $364,119, respectively. This Excess Investment, which resulted primarily from the CPI Merger and the DRC Merger, is being amortized generally over the life of the related Properties. Amortization included in income from unconsolidated entities for the years ended December 31, 1998, 1997 and 1996 was $22,625, $13,878 and $5,127, respectively.

The net income or net loss for each Joint Venture Property is allocated in accordance with the provisions of the applicable partnership or joint venture agreement. The allocation provisions in these agreements are not always consistent with the ownership interests held by each general or limited partner or joint venturer, primarily due to partner preferences.

8. Investment in 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 Melvin Simon, Herbert Simon and David Simon. Because the SPG Operating Partnership exercises significant influence 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. These services, excluding insurance coverage, are also provided to Melvin Simon & Associates, Inc. ("MSA"), and certain other nonowned properties for a fee. The SPG Operating Partnership incurred costs of $145,655, $85,229 and $30,949, on consolidated Properties related to services provided by the Management Company and its affiliates in 1998, 1997 and 1996, respectively. Fees for services provided by the Management Company to MSA were $3,301, $3,073 and $4,000 for the years ended December 31, 1998, 1997 and 1996, respectively.

The SPG Operating Partnership manages substantially all Wholly-Owned Properties and 26 Properties owned as joint venture interests, and, accordingly, it reimburses a subsidiary of the Management Company for costs incurred relating to such Properties, including management, leasing, development, accounting, legal, marketing, and management information systems. 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 based on payroll and related costs using assumptions that management believes are reasonable. The SPG Operating Partnership's share of allocated common costs was $42,444, $35,341 and $29,262 for 1998, 1997 and 1996, respectively.

At December 31, 1998 and 1997, total notes receivable and advances due from the Management Company and its consolidated affiliates were $115,378 and $93,809, respectively. Unpaid interest income receivable from the Management Company at December 31, 1998 and 1997, was $722 and $485, respectively. Accrued and unpaid preferred dividends due from the Management Company at December 31, 1998 and 1997 were $117 and $0, respectively. Amounts payable by the SPG Operating Partnership under the cost-sharing arrangement and management contracts were $4,968 and $1,725 at December 31, 1998 and 1997, respectively, and are reflected in accounts payable and accrued expenses in the SPG Operating Partnership's accompanying Consolidated Balance Sheets.

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.

BALANCE SHEET DATA:	December 31, 1998	December 31, 1997
Total assets	$198,952	$137,750
Notes payable to the SPG Operating Partnership at 11%, due 2008, and advances	115,378	93,809
Shareholders' equity	7,279	482
The SPG Operating Partnership's Share of:		
Total assets	$184,273	$128,596
Shareholders' equity	$ 10,037	$ 3,192

OPERATING DATA:	For the Year Ended December 31, 1998	1997	1996
Total revenue	$100,349	$ 85,542	$ 78,665
Operating Income	8,067	13,766	9,073
Net Income Available for Common Shareholders	$ 6,667	$ 12,366	$ 7,673
The SPG Operating Partnership's Share of Net Income after intercompany profit elimination	$ 5,852	$ 10,486	$ 5,485

9. Indebtedness

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

	December 31, 1998	December 31, 1997
Fixed-Rate Debt		
Mortgages and other notes, including $1,917 and $888 net premiums, respectively	$2,290,902	$2,006,552
Unsecured public notes, including $7,278 net premium and $4,453 net discount, respectively	2,617,277	905,547
Mandatory Par Put Remarketed Securities, including $5,273 premium	205,273	--
Medium-term notes, net of $714 and $771 discounts, respectively	279,286	279,229
Commercial mortgage pass-through certificates	175,000	175,000
6 3/4% Putable Asset Trust Securities, including $1,111 and $1,297 premiums, respectively	101,111	101,297
Total fixed-rate debt	5,668,849	3,467,625
Variable-Rate Debt		
Mortgages and other notes, including $1,275 and $696 premiums, respectively	$ 352,532	$ 451,820
Credit Facility	368,000	952,000
Merger Facility	1,400,000	--
Unsecured term loans	133,000	133,000
Commercial mortgage pass-through certificates	50,000	50,000
Construction loan	--	23,545
Total variable-rate debt	2,303,532	1,610,365
Total mortgages and other notes payable, net	$7,972,381	$5,077,990

Fixed-Rate Debt

Mortgages and Other Notes. The fixed-rate mortgage loans bear interest ranging from 6.57% to 10.00% (weighted average of 7.55% at December 31, 1998), require monthly payments of principal and/or interest and have various due dates through 2027 (average maturity of 5.9 years). Certain of the Properties are pledged as collateral to secure the related mortgage note. The fixed and variable mortgage notes are nonrecourse and certain ones have partial guarantees by affiliates of approximately $706,042. 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 of the Properties are subject to financial performance covenants relating to debt-to-market capitalization, minimum earnings before interest, taxes, depreciation and amortization ("EBITDA") ratios and minimum equity values.

Unsecured Notes and Mandatory Par Put Remarketed Securities . In connection with the CPI Merger, RPT, a REIT and the 99.999% owned subsidiary of the SPG Operating Partnership, took title to substantially all of the CPI assets and assumed $825,000 of unsecured notes (the "CPI Notes"), as described in Note 3. The CPI Notes 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 flow of RPT only, with over 99.999% of the excess cash flow plus any capital event transactions available for the other SPG Operating Partnership unsecured notes. The CPI Notes pay interest semiannually at rates ranging from 7.05% to 9.00% (weighted average of 8.03%), and have various due dates through 2016 (average maturity of 9.1 years). The CPI Notes contain leverage ratios, annual real property appraisal requirements, debt service coverage ratios and minimum net worth ratios.

The CPI Notes together with existing SPG Operating Partnership nonconvertible investment-grade unsecured debt securities aggregate $2,617,277

(the "Notes"). In addition, the SPG Operating Partnership has outstanding
$205,273 of 7.00%

Mandatory Par Put Remarketed Securities ("MOPPRS") at December 31, 1998. The Notes pay interest semiannually at rates ranging from 6.63% to 9.0% (weighted average of 7.25%), and have various due dates through 2018 (average maturity of 8.3 years). The MOPPRS are due June 15, 2028, and are subject to redemption on June 16, 2008. The premium received relating to the MOPPRS of approximately $5,302 is being amortized over the life of the debt securities. The MOPPRS and certain of the Notes are guaranteed by the SPG Operating Partnership and contain leverage ratios and minimum EBITDA and unencumbered EBITDA ratios.

Additionally, on February 4, 1999, the SPG Operating Partnership completed the sale of another $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 and to pay $142,000 on the outstanding balance of the Credit Facility.

Medium-Term Notes. On May 15, 1997, the SPG Operating Partnership established a Medium-Term Note ("MTN") program. On June 24, 1997, the SPG Operating Partnership completed the sale of $100,000 of notes under the MTN program, which bear interest at 7.125% and have a stated maturity of June 24, 2005. On September 10, 1997, the SPG Operating Partnership issued the remaining $180,000 principal amount of notes under its MTN program. These notes mature on September 20, 2007 and bear interest at 7.125% per annum. The net proceeds from each of these sales were used primarily to pay down the Credit Facility.

Commercial Mortgage Pass-Through Certificates. The SPG Operating Partnership has outstanding a series of six classes of commercial mortgage pass-through certificates cross-collateralized by seven Properties, which matures on December 19, 2004. Five of the six classes totaling $175,000 bear fixed interest rates ranging from 6.716% to 8.233%, with the remaining $50,000 class bearing interest at LIBOR plus 0.365%.

6 3/4% Putable Asset Trust Securities (PATS). The PATS, issued December 1996, pay interest semiannually at 6.75% and mature in 2003. These notes contain leverage ratios and minimum EBITDA and unencumbered EBITDA ratios. The net discount relating to the PATS is being amortized over their remaining life.

Variable-Rate Debt

Mortgages and Other Notes. The variable-rate mortgage loans and other notes bear interest ranging from 5.61% to 7.74% (weighted average of 6.39% at December 31, 1998) and are due at various dates through 2004 (average maturity of 3.3 years). Certain of the Properties are subject to collateral, cross-default and cross-collateral agreements, participation agreements or other covenants relating to debt-to-market capitalization, minimum EBITDA ratios and minimum equity values.

Credit Facility. The Credit Facility is a $1,250,000 unsecured revolving credit facility which initially matures in September of 1999, with a 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 1998 under the Credit Facility were $992,000 and $583,668, respectively. The Credit Facility is primarily used for funding acquisition, renovation and expansion and predevelopment opportunities. At December 31, 1998, the Credit Facility had an effective interest rate of 6.2%, with $880,800 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 will mature at the following intervals (i) $450,000 on June 24, 1999 (ii) $450,000 on March 24, 2000 and (iii) $500,000 on September 24, 2000. As described above, in February 1999 the initial $450,000 maturity on the Merger Facility was retired with proceeds from a $600,000 unsecured debt offering. The Merger Facility is subject to covenants and conditions substantially identical to those of the Credit Facility. The SPG Operating Partnership drew the entire $1,400,000 available on the Merger Facility along with $237,000 on the Credit Facility to pay for the cash portion of the dividend declared in conjunction with the CPI Merger, as well as certain other costs associated with the CPI Merger. Financing costs of $9,456, which were incurred to obtain the Merger Facility, are being amortized over 18 months.

Unsecured Term Loans. The SPG Operating Partnership has two unsecured term loans outstanding at December 31, 1998, totaling $133,000, which were obtained to retire mortgage indebtedness. These term loans bear interest at LIBOR plus 0.65% and mature on January 31, 2000. The SPG Operating Partnership has an interest-rate protection agreement covering one of these term loans in the amount of $63,000, which effectively fixes the interest rate at 6.14%.

Debt Maturity and Other

As of December 31, 1998, scheduled principal repayments on indebtedness were as follows:

1999	$1,030,354
2000	1,464,646
2001	259,391
2002	835,067
2003	722,514
Thereafter	3,644,269
Total principal maturities	7,956,241
Net unamortized debt premiums	16,140
Total mortgages and other notes payable	$7,972,381

Debt premiums and discounts are being 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.

Net extraordinary gains (losses) resulting from the early extinguishment, refinancing or forgiveness of debt of $7,146, $58 and $(3,521) were incurred for the years ended December 31, 1998, 1997 and 1996, respectively.

The Joint Venture Properties have $2,861,589 and $1,888,512 of mortgages and other notes payable at December 31, 1998 and 1997, respectively. The SPG Operating Partnership's share of this debt was $1,227,044 and $770,776 at December 31, 1998 and 1997, respectively. This debt, including a premium of $20,868 in 1998, becomes due in installments over various terms extending through 2009, with interest rates ranging from 5.44% to 9.75% (weighted average rate of 6.99% at December 31, 1998). The debt, excluding the $20,868 premium, matures $17,270 in 1999; $220,961 in 2000; $9,622 in 2001; $265,603 in 2002; $435,298 in 2003 and $1,891,967 thereafter.

Interest Rate Protection Agreements

The SPG Operating Partnership has entered into certain interest rate protection agreements, in the form of "cap" or "swap" arrangements, with respect to the majority 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 $550,000 principal amount of consolidated debt. Cap arrangements, which effectively limit the amount by which variable interest rates may rise, have been entered into for $387,999 principal amount of consolidated debt and cap LIBOR at rates ranging from 5.49% to 16.765% through the related debt's maturity. Costs of the caps ($1,338) are amortized over the life of the agreements. The unamortized balance of the cap arrangements was $429 and $2,006 as of December 31, 1998 and 1997, respectively. The SPG Operating Partnership's hedging activity as a result of interest swaps and caps resulted in net interest savings of $263, $1,586 and $2,165 for the years ended December 31, 1998, 1997 and 1996, respectively. This did not materially impact the SPG Operating Partnership's weighted average borrowing rate.

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 $6,100,000 and $3,900,000 at December 31, 1998 and 1997, respectively. The fair value of the interest rate protection agreements at December 31, 1998 and 1997, was ($7,213) and ($692), respectively. At December 31, 1998 and 1997, the estimated discount rates were 6.70% and 6.66%, respectively.

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, 1998, are as follows:

1999	$ 910,451
2000	819,907
2001	756,743
2002	696,153
2003	618,304
Thereafter	2,242,104
	$6,043,662

Approximately 2.8% of future minimum rents to be received are attributable to leases with JCPenney Company, Inc., an affiliate of a limited partner in the SPG Operating Partnership.

11. Partners Equity

Unit Issuances

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.

On November 11, 1997, SPG issued 3,809,523 shares of its common stock upon the conversion of all of the outstanding shares of SPG's 8.125% Series A Preferred Stock, $.0001 par value per share.

On September 19, 1997, SPG issued 4,500,000 shares of its common stock in a public offering. SPG contributed the net proceeds of approximately $146,800 to the SPG Operating Partnership in exchange for an equal number of Units. The SPG Operating Partnership used the net proceeds to retire a portion of the outstanding balance on the Credit Facility.

As described in Note 4, in connection with the DRC Merger on August 9, 1996, the SPG Operating Partnership issued 37,877,965 Units to its non-managing general partner and 23,219,012 Units to limited partners.

Preferred Units

Preferred Units in the SPG Operating Partnership include four separate series, which pay preferred distributions with economic terms that are substantially the same as four series of preferred stock of general partners of the SPG Operating Partnership described below. The first two series of preferred Units were issued to SPG Properties, Inc. prior to the CPI Merger, in exchange for the net proceeds from the sales of two series of preferred stock in SPG Properties, Inc. The latter two series of preferred Units described below result from the CPI Merger, described in Note 3.

On July 9, 1997, SPG Properties, Inc. sold 3,000,000 shares of its 7.89% Series C Cumulative Step-Up Premium RateSM Preferred Stock (the "Series C Preferred Shares") in a public offering at $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. The Series C Preferred Shares are not redeemable prior to September 30, 2007. Beginning September 30, 2007, the Series C Preferred Shares may be redeemed at the option of SPG Properties, Inc. in whole or in part, at a redemption price of $50.00 per share, plus accrued and unpaid distributions, if any, thereon. The redemption price of the Series C Preferred Shares may only be paid from the sale proceeds of other capital stock of SPG Properties, Inc., which may include other classes or series of preferred stock. 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, Inc. contributed the net proceeds of this offering of approximately $146,000 to the SPG Operating Partnership in exchange for preferred Units, the economic terms of which are substantially identical to the Series C Preferred Shares.

On September 27, 1996, SPG Properties, Inc. completed a $200,000 public offering of 8,000,000 shares of Series B cumulative redeemable preferred stock, generating net proceeds of approximately $193,000. Dividends on the preferred stock are paid quarterly in arrears at 8.75% per annum. SPG Properties, Inc. may redeem the preferred stock any time on or after

September 29, 2006, at a redemption price of $25.00 per share, plus accrued and unpaid dividends. The redemption price (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, Inc., which may include other series of preferred shares. SPG Properties, Inc. contributed the proceeds to the SPG Operating Partnership in exchange for preferred Units. The SPG Operating Partnership pays a preferred distribution to SPG Properties, Inc. equal to the dividends paid on the preferred stock.

SPG has 209,249 shares of 6.50% Series A Convertible Preferred Stock outstanding. Each share of Series A Convertible Preferred Stock is convertible into 37.995 paired shares of common stock of the Companies, subject to adjustment under certain circumstances including (i) a subdivision or combination of shares of common stock of the Companies, (ii) a declaration of a distribution of additional shares of common stock of the Companies, issuances of rights or warrants by the Companies and (iii) any consolidation or merger, which the Companies are a part of or a sale or conveyance of all or substantially all of the assets of the Companies to another person or any statutory exchange of securities with another person. The Series A Convertible Preferred Stock is 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.

In addition, SPG has 4,844,331 shares of 6.50% Series B Convertible Preferred Stock outstanding. Each share of Series B Convertible Preferred Stock is convertible into 2.586 paired shares of common stock of the Companies, subject to adjustment under circumstances identical to those of the Series A Preferred Stock described above. The Companies may redeem the Series B Preferred Stock 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.

Notes Receivable from Former CPI Shareholders

Notes receivable of $27,168 from former CPI shareholders, which result from securities issued under CPI's executive compensation program and were assumed in connection with the CPI Merger, are reflected as a deduction from partners' equity in the accompanying consolidated financial statements. Certain of such notes totaling $9,519 are interest bearing at rates ranging from 5.31% to 6.00% and become due during the period 2000 to 2002. The remainder of the notes do not bear interest and become due at the time the underlying shares are sold.

The Simon Property Group 1998 Stock Incentive Plan

At the time of the CPI Merger, SPG and the SPG Operating Partnership adopted 'The Simon Property Group 1998 Stock Incentive Plan' (the "1998 Plan"). The 1998 Plan provides for the grant of equity-based awards during the ten-year period following its adoption, in the form of options to purchase paired shares of the Companies' common stock ("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 primary purpose of the 1998 Plan is to attract and retain the best available eligible officers, directors, key employees, advisors and consultants. The Companies have reserved for issuance 6,300,000 paired shares of common stock under the 1998 Plan, which includes 2,230,875 shares reserved for the exercise of options granted and grants of restricted stock allocated under the previously existing Stock Incentive Program and DRC Plan, which are described below. If stock options granted in connection with the 1998 Plan are exercised at any time or from time to time, the partnership agreement requires the Companies to sell to the Operating Partnerships, at fair market value, paired shares of the Companies' common stock sufficient to satisfy the exercised stock options. The Companies are also obligated to purchase paired Units for cash in an amount equal to the fair market value of the paired shares sold to the SPG Operating Partnership.

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 shares of the common stock on the date of grant. Currently, Employee Options outstanding vest 40% on the first anniversary of the date of grant, an additional 30% on the second anniversary of the grant date and become fully vested three years after the grant date. The Employee Options expire ten years from the date of grant.

Director Options. The 1998 Plan provides for automatic grants of Options ("Director Options") to directors 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 shares of the Companies' common stock upon the director's initial election to the Board of Directors. Eligible Directors will also receive Director Options to purchase 3,000 shares of common stock multiplied by the number of calendar years that have elapsed since such person's last election to the Board of Directors upon each reelection of the Eligible Director to the Board of Directors. The exercise price of the options is equal to 100% of the fair market value of the Companies' common stock 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 will terminate 30 days after the optionee ceases to be a member of the Board of Directors.

Restricted Stock. In October 1994, under a previous stock incentive program, the Compensation Committee approved a five-year stock incentive program (the "Stock Incentive Program"), under which shares of restricted common stock of SPG were granted to certain employees at no cost to those employees if SPG attained certain growth targets established by the Compensation Committee from time to time. In addition, in 1994, DRC established a five-year stock incentive program (the "DRC Plan") under which shares of restricted common stock were granted to certain DRC employees at no cost to those employees also based upon growth targets established by their Compensation Committee. At the time of the DRC Merger, SPG agreed to assume the terms and conditions of the DRC Plan and the economic criteria upon which restricted stock under both the Stock Incentive Program and the DRC Plan would be deemed earned and awarded were aligned with one another. Further, other terms and conditions of the DRC Plan and Stock Incentive Program were modified so that beginning with calendar year 1996, the terms and conditions of these two programs are substantially the same. Both the Stock Incentive Program and the DRC Plan provided for a percentage of each of these restricted stock grants to be earned and awarded each year. Any restricted stock earned and awarded vests in four installments of 25% each on January 1 of each year following the year in which the restricted stock is deemed earned and awarded.

The terms and conditions concerning vesting of the restricted stock grant to the Companies' President and Chief Operating Officer are different from those established by the DRC Plan and are specifically set forth in the employment contract with such individual.

In March 1995, an aggregate of 1,000,000 shares of restricted stock was granted to 50 executives, subject to the performance standards, vesting requirements and other terms of the Stock Incentive Program. Prior to the DRC Merger, 2,108,000 shares of DRC common stock were deemed available for grant to certain designated employees of DRC, also subject to certain performance standards, vesting requirements and other terms of the DRC Plan. During 1998, 1997 and 1996, a total of 495,131; 448,753 and 200,030 shares of common stock, respectively, net of forfeitures, were deemed earned and awarded under the Stock Incentive Program and the DRC Plan. Through December 31, 1998, a total of 1,287,225 shares of common stock, net of forfeitures, were deemed earned and awarded under these programs. Approximately $9,463, $5,386 and $2,084 relating to these programs were amortized in 1998, 1997 and 1996, 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 partners' equity and subsequently amortized against earnings of the SPG Operating Partnership over the vesting period.

SFAS No. 123, "Accounting for Stock-Based Compensation," requires entities to measure compensation costs related to awards of stock-based compensation using either the fair value method or the intrinsic value method. Under the fair value method, compensation expense is measured at the grant date based on the fair value of the award. Under the intrinsic value method, compensation expense is equal to 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. Entities electing to measure compensation costs using the intrinsic value method must make pro forma disclosures of net income and earnings per share as if the fair value method had been applied. SPG has elected to account for stock-based compensation programs using the intrinsic value method consistent with existing accounting policies. SPG granted 5,000 and 380,000 options during April 1998 and September 1998, respectively. The options vest over a three-year period. The fair value at date of grant for options granted during 1998 was $6.19 and $7.25 per option for the April and September grants, respectively. The fair value at the date of grant for options granted during the years ended December 31, 1997 and 1996 was $3.18 and $2.13 per option, respectively. The impact on pro forma net income and earnings per share as a result of applying the fair value method 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,		
	1998	1997	1996
Expected Volatility	30.83 - 41.79%	17.63%	17.48%
Risk-Free Interest Rate	4.64 5.68%	6.82%	6.63%
Dividend Yield	6.24 - 6.52%	6.9%	7.5%
Expected Life	10 years	10 years	10 years

The weighted average remaining contract life for options outstanding as of December 31, 1998 was 6.1 years.

Information relating to the Options from January 1, 1996 through December 31, 1998 is as follows:

	Director Options		Employee Options	
	Options	Option Price per Share	Options	Option Price per Share
Shares under option at December 31, 1995	55,000	$22.25 - 27.00	2,014,134	$22.25 - 25.25
Granted	44,080	23.50 (1)	--	N/A
Exercised	(5,000)	22.25	(367,151)	23.33 (1)
Forfeited	(9,000)	25.52 (1)	(24,000)	24.21 (1)
Shares under option at December 31, 1996	85,080	$ 15 - 27.38	1,622,983	$22.25 - 25.25
Granted	9,000	29.31	--	N/A
Exercised	(8,000)	23.62 (1)	(361,902)	23.29 (1)
Forfeited	--	N/A	(13,484)	23.99 (1)
Shares under option at December 31, 1997	86,080	$ 15 - 27.38	1,247,597	$22.25 - 25.25
Granted	--	N/A	385,000	30.40 (1)
CPI Options Acquired	--	N/A	304,210	25.48 (1)
Exercised	(8,000)	26.27 (1)	(38,149)	23.71 (1)
Forfeited	(3,000)	29.31	(4,750)	25.25
Shares under option at December 31, 1998	75,080	$ 24.11 (1)	1,893,908	$ 24.82 (1)
Options exercisable at December 31, 1998	75,080	$ 24.11 (1)	1,508,908	$ 23.39 (1)

(1) Represents the weighted average price.

Exchange Rights

The former limited partners in Old SPG, LP had the right at any time after December 1994 to exchange all or any portion of their Units for shares of common stock of Old SPG on a one-for-one basis or cash, as selected by Old SPG's Board of Directors. If Old SPG had selected to use cash, Old SPG would have caused Old SPG, LP to redeem the Units. The amount of cash to be paid if the exchange right was exercised and the cash option was selected would have been based on the trading price of Old SPG's common stock at that time. In the periods when the SPG Operating Partnership did not control whether cash would be used to settle the limited partners' exchange rights, the limited partners' equity interest was excluded from partners' equity and was reflected in the consolidated balance sheet at redemption value.

In connection with the DRC Merger, the SPG Operating Partnership agreement was amended eliminating the exchange right provision. However, the limited partners in Old SPG, LP exchanged their interest for Units in the SPG Operating Partnership. The SPG Operating Partnership extended rights to its limited partners similar to the rights previously held by the limited partners of Old SPG, LP. However, on November 13, 1996, an agreement was reached between Old SPG and the SPG Operating Partnership which restricted Old SPG's ability to cause the SPG Operating Partnership to redeem for cash the limited partners' Units without contributing cash to the SPG Operating Partnership as partners' equity sufficient to effect the redemption. If sufficient cash is not contributed, Old SPG will be deemed to have elected to acquire the limited partners' Units for shares of Old SPG's common stock. In connection with the CPI Merger, SPG became the successor to Old SPG in such agreement. As a result of these arrangements, the limited partners' equity interest in the SPG Operating Partnership has been included as partners' equity at historical carrying value. Previous adjustments to exclude limited partners' equity interest from partners' equity have been reversed.

The SPG Operating Partnership has the right to issue Units and Preferred Units under certain circumstances. As of December 31, 1998, SPG has reserved 64,182,157 shares of common stock for issuance upon the exchange of 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 12% of their compensation, subject to certain limitations. Participants' salary deferrals are matched at specified percentages, and the plan provides annual contributions of 3% of eligible employees' compensation. The SPG Operating Partnership contributed $2,581, $2,727 and $2,350 to the plans in 1998, 1997 and 1996, respectively.

Except for the 401(k) plan, the SPG Operating Partnership offers no other postretirement or postemployment benefits to its employees.

13. Commitments and Contingencies

Litigation

Richard E. Jacobs, et al. v. Simon DeBartolo Group, L.P. On September 3, 1998, a complaint was filed in the Court of Common Pleas in Cuyahoga County, Ohio, captioned Richard E. Jacobs, et al. v. Simon DeBartolo Group, L.P. The plaintiffs are all principals or affiliates of The Richard E. Jacobs Group, Inc. ("Jacobs"). The plaintiffs allege in their complaint that the SPG Operating Partnership engaged in malicious prosecution, abuse of process, defamation, libel, injurious falsehood/unlawful disparagement, deceptive trade practices under Ohio law, tortious interference and unfair competition in connection with the SPG Operating Partnership's acquisition by tender offer of shares in RPT, a Massachusetts business trust, and certain litigation instituted in September, 1997, by the SPG Operating Partnership against Jacobs in federal district court in New York, wherein the SPG Operating Partnership alleged that Jacobs and other parties had engaged, or were engaging in activity which violated Section 10(b) of the Securities Exchange Act of 1934, as well as certain rules promulgated thereunder. Plaintiffs in the Ohio action are seeking compensatory damages in excess of $200,000, punitive damages and reimbursement for fees and expenses. It is difficult to predict the ultimate outcome of this action and there can be no assurance that the SPG Operating Partnership will receive a favorable verdict. Based upon the information known at this time, in the opinion of management, it is not expected that this action will have a material adverse effect on the SPG Operating Partnership.

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., a 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 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 661,000 shares of DRC common stock, which is equivalent to approximately 450,000 paired shares of common stock of the Companies 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 complaint was served on the defendants on October 28, 1996. The plaintiffs and SPG each filed motions for summary judgment. On October 31, 1997, the Court entered a judgment in favor of SPG granting SPG's motion for summary judgment. The plaintiffs have appealed this judgment and the matter is pending. While it is difficult to predict the ultimate outcome of this action, based on the information known to date, it is not expected that this action will have a material adverse effect on SPG or the SPG Operating Partnership.

Roel Vento et al v. Tom Taylor et al. An affiliate of SPG 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 has been 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. SPG is seeking to overturn the award and has appealed the verdict. SPG's appeal is pending. Although management is optimistic that SPG may be able to reverse or reduce the verdict, there can be no assurance thereof. Management, based upon the advice of counsel, believes that the ultimate outcome of this action will not have a material adverse effect on SPG or the SPG Operating Partnership.

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

Lease Commitments

As of December 31, 1998, a total of 37 of the Wholly-Owned and Minority Interest Properties are subject to ground leases. The termination dates of these ground leases range from 1999 to 2087. 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, 1998, 1997 and 1996, was $13,618, $10,511 and $8,506, 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:

1999	$ 7,871
2000	7,934
2001	8,033
2002	8,313
2003	8,320
Thereafter	499,664
	$540,135

Environmental Matters

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

14. Related Party Transactions

In preparation for the CPI Merger, on July 31, 1998, CPI, with assistance from 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 parties each received a $2,500 fee from CPI in connection with the sale.

15. New Accounting Pronouncement

On June 15, 1998, the FASB issued Statement of Financial Accounting Standards No. 133, Accounting for Derivative Instruments and Hedging Activities. The Statement establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. The Statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement, and requires that a company must formally document, designate, and assess the effectiveness of transactions that receive hedge accounting.

Statement 133 will be effective for the SPG Operating Partnership beginning with the 1999 fiscal year and may not be applied retroactively. Management does not expect the impact of Statement 133 to be material to the financial statements. However, the Statement could increase volatility in earnings and other comprehensive income.

On April 3, 1998 the Accounting Standards Executive Committee issued Statement of Position 98-5 ("SOP 98-5"), Reporting on the Costs of Start-Up Activities, which is effective for fiscal years beginning after December 15, 1998. SOP 98-5 states that costs of start-up activities, including organization costs, should be expensed as incurred. Management does not expect the impact of SOP 98-5 to be material to the financial statements.

16. Quarterly Financial Data (Unaudited)

Summarized quarterly 1998 and 1997 data is as follows:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual Amount
1998					
Total revenue	$ 300,257	$ 310,375	$ 321,987	$ 467,570	$ 1,400,189
Operating income	133,667	145,226	147,326	213,790	640,009
Income before extraordinary items	45,124	43,514	52,635	91,983	233,256
Net income available to Unitholders	37,790	43,204	44,539	73,398	198,931
Net income before extraordinary items per Unit (2)	$ 0.22	$ 0.21	$ 0.25	$ 0.32	$ 1.01
Net income per Unit (2)	$ 0.22	$ 0.25	$ 0.25	$ 0.33	$ 1.05
Weighted Average Units Outstanding	173,084,147	176,098,843	180,987,067	225,670,566	189,082,385
Net income before extraordinary items per Unit - assuming dilution (2)	$ 0.22	$ 0.21	$ 0.25	$ 0.32	$ 1.01
Net income per Unit - assuming dilution (2)	$ 0.22	$ 0.25	$ 0.25	$ 0.32	$ 1.05
Weighted Average Units Outstanding - Assuming Dilution	173,471,370	176,489,839	181,312,399	225,972,148	189,439,534
					1997
Total revenue	$ 242,414	$ 245,055	$ 259,783	$ 306,915	$ 1,054,167
Operating income	111,706	114,455	117,572	133,297	477,030
Income before extraordinary items	43,062	48,413	54,286	57,372	203,133
Net income available to Unitholders	13,409	40,539	72,400	47,595	173,943
Net income before extraordinary items per Unit (2)	0.23	0.27	0.28	0.29	1.08
Net income per Unit (2)	0.08	0.26	0.45	0.28	1.08
Weighted Average Units Outstanding	157,946,908	158,494,224	159,795,424	167,760,629	161,022,887
Net income before extraordinary items per Unit - assuming dilution (2)	0.23	0.27	0.28	0.29	1.08
Net income per Unit - assuming dilution (2)	$ 0.08	$ 0.25	0.45	0.28	$ 1.08
Weighted Average Units Outstanding - Assuming Dilution	158,343,827	158,848,611	160,180,477	168,146,728	161,406,951

(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 varies from the annual earnings per Unit.

17. Subsequent Events (Unaudited)

On February 25, 1999, the SPG Operating Partnership entered into a definitive agreement with New England Development Company ("NED") to acquire and assume management responsibilities for NED's portfolio of up to 14 regional malls aggregating approximately 10.6 million square feet of GLA. The purchase price for the portfolio is approximately $1.725 billion. The SPG Operating Partnership expects to form a joint venture to acquire the portfolio, with the SPG Operating Partnership's ultimate ownership to be between 30% to 50%.

On February 26, 1999, 150,000 shares of SPG's Series A Convertible Preferred stock were converted into 5,699,250 paired shares of common stock of the Companies, with 59,249 shares of Series A Convertible Preferred stock remaining outstanding. Concurrently, 150,000 Series A preferred Units were converted into 5,699,250 Units.

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 18, 1999

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

Signature	Capacity	Date
/s/ David Simon David Simon	Chief Executive Officer and Director (Principal Executive Officer) Co-Chairman of the Board of Directors	March 18, 1999
/s/ Herbert Simon Herbert Simon		March 18, 1999
/s/ Melvin Simon Melvin Simon	Co-Chairman of the Board of Directors	March 18, 1999
/s/ Hans C. Mautner Hans C. Mautner	Vice Chairman of the Board of Directors	March 18, 1999
/s/ Richard Sokolov Richard Sokolov	President, Chief Operating Officer and Director	March 18, 1999
/s/ Robert E. Angelica Robert E. Angelica	Director	March 18, 1999
/s/ Birch Bayh Birch Bayh	Director	March 18, 1999
/s/ Pieter S. van den Berg Pieter S. van den Berg	Director	March 18, 1999
/s/ G. William Miller G. William Miller	Director	March 18, 1999
/s/ Fredrick W. Petri Fredrick W. Petri	Director	March 18, 1999
/s/ J. Albert Smith J. Albert Smith	Director	March 18, 1999
/s/ Philip J. Ward Philip J. Ward	Director	March 18, 1999

Signature	Capacity	Date
/s/ M. Denise DeBartolo York ------------------------------ M. Denise DeBartolo York	Director	March 18, 1999
/s/ John Dahl ------------------------------ John Dahl	Senior Vice President (Principal Accounting Officer)	March 18, 1999
Principal Financial Officers:		
/s/ Stephen E. Sterrett ------------------------------ Stephen E. Sterrett	Treasurer	March 18, 1999
/s/ James R. Giuliano III ------------------------------ James R. Giuliano III	Senior Vice President	March 18, 1999

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON SCHEDULE

To Simon Property Group, Inc.:

We have audited in accordance with generally accepted auditing standards, the consolidated financial statements of SIMON PROPERTY GROUP, L.P. included in this Form 10-K and have issued our report thereon dated February 17, 1999. 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, 1998, 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 17, 1999

SIMON PROPERTY GROUP, L.P.
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 1998

SCHEDULE III

(Dollars in thousands)

Name, Location	Encumbrances	Initial Cost: Land	Initial Cost: Buildings and Improvements	Cost Capitalized Subsequent to Acquisition: Land	Cost Capitalized Subsequent to Acquisition: Buildings and Improvements
Regional Malls					
Alton Square, Alton, IL	$ 0	$ 154	$ 7,641	$ 0	$ 11,816
Amigoland Mall, Brownsville, TX	0	1,045	4,518	0	954
Anderson Mall, Anderson, SC	27,500	1,712	18,122	1,363	3,479
Aurora Mall, Aurora, CO	0	11,400	55,692	0	270
Barton Creek Square, Austin, TX	62,064	4,414	20,699	771	28,741
Battlefield Mall, Springfield, MO	93,665	4,039	29,769	3,225	35,518
Bay Park Square, Green Bay, WI	24,848	6,997	25,623	0	659
Bergen Mall, Paramus, NJ	0	11,020	92,541	0	5,730
Biltmore Square, Asheville, NC	26,681	10,908	19,315	0	1,059
Boynton Beach Mall, Boynton Beach, FL	0	33,758	67,710	0	3,203
Brea Mall, Brea, CA	0	39,500	209,202	0	144
Broadway Square, Tyler, TX	0	11,470	32,439	0	1,884
Brunswick Square, East Brunswick, NJ	0	8,436	55,838	0	3,764
Burlington Mall, Burlington, MA	0	46,600	303,618	0	14
Castleton Square, Indianapolis, IN	0	44,860	80,963	0	25,115
Charlottesville Fashion Square,	0				
Charlottesville, VA	0	0	54,738	0	928
Chautauqua Mall, Jamestown, NY	0	3,257	9,641	0	12,033
Cheltenham Square, Philadelphia, PA	34,226	14,227	43,799	0	2,173
Chesapeake Square, Chesapeake, VA	48,164	11,534	70,461	0	832
Cielo Vista Mall, El Paso, TX	96,125	1,307	18,512	608	15,836
College Mall, Bloomington, IN	54,360	1,012	16,245	722	18,551
Columbia Center, Kennewick, WA	42,326	27,170	58,185	0	5,742
Cordova Mall, Pensacola, FL	0	18,800	75,880	(158)	267
Cottonwood Mall, Albuquerque, NM	0	13,667	69,173	0	(151)
Crossroads Mall, Omaha, NE	0	884	37,293	409	27,116
Crystal River Mall, Crystal River, FL	16,000	11,679	14,252	0	2,841
DeSoto Square, Bradenton, FL	38,880	9,380	52,716	0	2,984
Eastern Hills Mall, Buffalo, NY	0	15,444	47,604	12	2,382
Eastland Mall, Tulsa, OK	15,000	3,124	24,035	518	6,525
Edison Mall, Fort Myers, FL	0	13,618	107,381	0	962
Fashion Mall at Keystone at the Crossing, Indianapolis, IN	64,194	0	120,579	0	106
Forest Mall, Fond Du Lac, WI	15,550	728	4,498	0	4,920
Forest Village Park, Forestville, MD	21,850	1,212	4,625	757	4,071
Fremont Mall, Fremont, NE	0	26	1,280	265	2,678
Golden Ring Mall, Baltimore, MD	29,750	1,130	8,955	572	8,591
Great Lakes Mall, Cleveland, OH	61,121	14,607	100,362	0	3,462
Greenwood Park Mall, Greenwood, IN	97,478	2,607	23,500	5,275	54,216
Gulf View Square, Port Richey, FL	37,633	13,690	39,997	0	5,160
Heritage Park, Midwest City, OK	0	598	6,213	0	2,240
Hutchinson Mall, Hutchison, KS	16,023	1,777	18,427	0	2,821
Independence Center, Independence, MO	0	5,539	45,822	0	14,913
Ingram Park Mall, San Antonio, TX	54,955	820	17,163	169	14,018
Irving Mall, Irving, TX	0	6,737	17,479	2,533	22,491
Jefferson Valley Mall, Yorktown Heights, NY	50,000	4,868	30,304	0	3,816
Knoxville Center, Knoxville, TN	0	5,006	22,965	3,712	33,220
La Plaza, McAllen, TX	49,475	2,194	9,828	0	4,050

Name, Location	Gross Amounts At Which Carried At Close of Period: Land	Gross Amounts At Which Carried At Close of Period: Buildings and Improvements	Total	Accumulated Depreciation	Date of Construction
Regional Malls					
Alton Square, Alton, IL	$ 154	$ 19,457	$ 19,611	$2,248	1993 (Note 3)
Amigoland Mall, Brownsville, TX	1,045	5,472	6,517	1,532	1974
Anderson Mall, Anderson, SC	3,075	21,601	24,676	4,505	1972
Aurora Mall, Aurora, CO	11,400	55,962	67,362	403	1998 (Note 4)
Barton Creek Square, Austin, TX	5,185	49,440	54,625	7,694	1981
Battlefield Mall, Springfield, MO	7,264	65,287	72,551	11,831	1970
Bay Park Square, Green Bay, WI	6,997	26,282	33,279	1,818	1996 (Note 4)
Bergen Mall, Paramus, NJ	11,020	98,271	109,291	6,320	1996 (Note 4)
Biltmore Square, Asheville, NC	10,908	20,374	31,282	1,489	1996 (Note 4)
Boynton Beach Mall, Boynton Beach, FL	33,758	70,913	104,671	4,842	1996 (Note 4)
Brea Mall, Brea, CA	39,500	209,346	248,846	1,504	1998 (Note 4)
Broadway Square, Tyler, TX	11,470	34,323	45,793	4,238	1994 (Note 3)
Brunswick Square, East Brunswick, NJ	8,436	59,602	68,038	3,937	1996 (Note 4)
Burlington Mall, Burlington, MA	46,600	303,632	350,232	2,172	1998 (Note 4)

Castleton Square, Indianapolis, IN	44,860	106,078	150,938	5,886	1996 (Note 4)
Charlottesville Fashion Square, Charlottesville, VA	0	55,666	55,666	2,018	1997 (Note 4)
Chautauqua Mall, Jamestown, NY	3,257	21,674	24,931	1,236	1996 (Note 4)
Cheltenham Square, Philadelphia, PA	14,227	45,972	60,199	3,307	1996 (Note 4)
Chesapeake Square, Chesapeake, VA	11,534	71,293	82,827	4,936	1996 (Note 4)
Cielo Vista Mall, El Paso, TX	1,915	34,348	36,263	8,834	1974
College Mall, Bloomington, IN	1,734	34,796	36,530	8,324	1965
Columbia Center, Kennewick, WA	27,170	63,927	91,097	4,315	1996 (Note 4)
Cordova Mall, Pensacola, FL	18,642	76,147	94,789	2,160	1998 (Note 4)
Cottonwood Mall, Albuquerque, NM	13,667	69,022	82,689	6,586	1996
Crossroads Mall, Omaha, NE	1,293	64,409	65,702	6,555	1994 (Note 3)
Crystal River Mall, Crystal River, FL	11,679	17,093	28,772	1,507	1996 (Note 4)
DeSoto Square, Bradenton, FL	9,380	55,700	65,080	3,875	1996 (Note 4)
Eastern Hills Mall, Buffalo, NY	15,456	49,986	65,442	3,377	1996 (Note 4)
Eastland Mall, Tulsa, OK	3,642	30,560	34,202	5,481	1986
Edison Mall, Fort Myers, FL	13,618	108,343	121,961	3,889	1997 (Note 4)
Fashion Mall at Keystone at the Crossing, Indianapolis, IN	0	120,685	120,685	3,447	1997 (Note 4)
Forest Mall, Fond Du Lac, WI	728	9,418	10,146	1,823	1973
Forest Village Park, Forestville, MD	1,969	8,696	10,665	2,007	1980
Fremont Mall, Fremont, NE	291	3,958	4,249	577	1966
Golden Ring Mall, Baltimore, MD	1,702	17,546	19,248	4,569	1974 (Note 3)
Great Lakes Mall, Cleveland, OH	14,607	103,824	118,431	7,216	1996 (Note 4)
Greenwood Park Mall, Greenwood, IN	7,882	77,716	85,598	14,437	1979
Gulf View Square, Port Richey, FL	13,690	45,157	58,847	2,851	1996 (Note 4)
Heritage Park, Midwest City, OK	598	8,453	9,051	2,146	1978
Hutchinson Mall, Hutchison, KS	1,777	21,248	23,025	4,203	1985
Independence Center, Independence, MO	5,539	60,735	66,274	5,888	1994 (Note 3)
Ingram Park Mall, San Antonio, TX	989	31,181	32,170	7,549	1979
Irving Mall, Irving, TX	9,270	39,970	49,240	8,410	1971
Jefferson Valley Mall, Yorktown Heights, NY	4,868	34,120	38,988	7,124	1983
Knoxville Center, Knoxville, TN	8,718	56,185	64,903	6,526	1984
La Plaza, McAllen, TX	2,194	13,878	16,072	2,746	1976

SIMON PROPERTY GROUP, L.P.
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 1998

SCHEDULE III

(Dollars in thousands)

Name, Location	Encumbrances	Initial Cost: Land	Initial Cost: Buildings and Improvements	Cost Capitalized Subsequent to Acquisition: Land	Cost Capitalized Subsequent to Acquisition: Buildings and Improvements
Lafayette Square, Indianapolis, IN	0	25,546	43,294	0	5,987
Laguna Hills Mall, Laguna Hills, CA	0	28,074	55,689	0	1,472
Lenox Square, Atlanta, GA	0	41,900	492,411	0	21
Lima Mall, Lima, OH	18,903	7,910	35,495	0	1,161
Lincolnwood Town Center, Lincolnwood, IL	0	11,197	63,490	28	282
Livingston Mall, Livingston, NJ		30,200	105,250	0	8
Longview Mall, Longview, TX	27,600	270	3,602	124	6,586
Machesney Park Mall, Rockford, IL	0	614	7,438	120	4,043
Markland Mall, Kokomo, IN	10,000	0	7,568	0	1,531
Mc Cain Mall, N. Little Rock, AR	43,768	0	9,515	0	6,605
Melbourne Square, Melbourne, FL	39,404	20,552	51,110	0	3,700
Memorial Mall, Sheboygan, WI	0	175	4,881	0	758
Menlo Park Mall, Edison, NJ	0	65,684	223,252	0	2,928
Miami International Mall, Miami, FL	46,483	13,794	69,701	8,942	2,788
Midland Park Mall, Midland, TX	28,000	704	9,213	0	5,875
Miller Hill Mall, Duluth, MN	0	2,537	18,113	0	3,775
Mission Viejo Mall, Mission Viejo, CA	37,559	9,139	54,445	0	49,604
Mounds Mall, Anderson, IN	0	0	2,689	0	1,934
Muncie Mall, Muncie, IN	0	172	5,964	52	19,417
Nanuet Mall, Nanuet, NY	0	27,700	162,993	0	116
North East Mall, Hurst, TX	21,934	1,454	13,473	2,090	18,591
North Towne Square, Toledo, OH	23,500	579	8,382	0	2,049
Northgate Mall, Seattle, WA	79,035	89,991	57,873	0	17,717
Northlake Mall, Atlanta, GA	1,053	33,400	98,035	0	0
Northwoods Mall, Peoria, IL	0	1,203	12,779	1,449	25,552
Oak Court Mall, Memphis, TN	0	15,673	57,555	0	480
Orange Park Mall, Jacksonville, FL	0	13,345	65,173	0	13,329
Orland Square, Orland Park, IL	50,000	36,770	129,906	0	455
Paddock Mall, Ocala, FL	29,930	20,420	30,490	0	4,334
Palm Beach Mall, West Palm Beach, FL	50,471	12,549	112,741	0	634
Phipps Plaza, Atlanta, GA	0	19,200	210,783	0	1
Port Charlotte Town Center, Port Charlotte, FL	52,731	5,561	59,381	0	6,674
Prien Lake Mall, Lake Charles, LA	0	1,926	2,829	3,080	35,714
Raleigh Springs Mall, Memphis, TN	0	9,137	28,604	0	1,130
Randall Park Mall, Cleveland, OH	35,000	4,421	52,456	0	6,525
Richardson Square, Dallas, TX	0	4,867	6,329	1,075	11,115
Richmond Towne Square, Cleveland, OH	14,526	2,666	12,112	0	19,511
Richmond Square, Richmond, IN	0	3,410	11,343	0	8,295
River Oaks Center, Calumet City, IL	32,500	30,884	101,224	0	11
Rockaway Townsquare, Rockaway, NJ	0	50,500	218,557	0	652
Rolling Oaks Mall, North San Antonio, TX	0	2,647	38,609	(70)	1,228
Roosevelt Field, Garden City, NY	0	165,500	704,112	0	1,674
Ross Park Mall, Pittsburgh, PA	0	14,557	50,995	9,617	46,778
Santa Rosa Plaza, Santa Rosa, CA	0	10,400	87,864	0	78
South Hills Village, Pittsburgh, PA	0	23,453	125,858	0	761
South Park Mall, Shreveport, LA	26,748	855	13,691	74	2,745
South Shore Plaza, Braintree, MA	82	101,200	301,495	0	179
Southern Park Mall, Youngstown, OH	0	16,982	77,774	97	13,081

Name, Location	Gross Amounts At Which Carried At Close of Period: Land	Gross Amounts At Which Carried At Close of Period: Buildings and Improvements	Total	Accumulated Depreciation	Date of Construction
Lafayette Square, Indianapolis, IN	25,546	49,281	74,827	3,384	1996 (Note 4)
Laguna Hills Mall, Laguna Hills, CA	28,074	57,161	85,235	2,028	1997 (Note 4)
Lenox Square, Atlanta, GA	41,900	492,432	534,332	3,541	1998 (Note 4)
Lima Mall, Lima, OH	7,910	36,656	44,566	2,622	1996 (Note 4)
Lincolnwood Town Center, Lincolnwood, IL	11,225	63,772	74,997	11,203	1990
Livingston Mall, Livingston, NJ	30,200	105,258	135,458	752	1998 (Note 4)
Longview Mall, Longview, TX	394	10,188	10,582	2,137	1978
Machesney Park Mall, Rockford, IL	734	11,481	12,215	3,082	1979
Markland Mall, Kokomo, IN	0	9,099	9,099	1,703	1968
Mc Cain Mall, N. Little Rock, AR	0	16,120	16,120	4,865	1973
Melbourne Square, Melbourne, FL	20,552	54,810	75,362	3,653	1996 (Note 4)
Memorial Mall, Sheboygan, WI	175	5,639	5,814	1,298	1969
Menlo Park Mall, Edison, NJ	65,684	226,180	291,864	8,138	1997 (Note 4)
Miami International Mall, Miami, FL	22,736	72,489	95,225	17,654	1996 (Note 4)
Midland Park Mall, Midland, TX	704	15,088	15,792	3,553	1980
Miller Hill Mall, Duluth, MN	2,537	21,888	24,425	4,346	1973

Mission Viejo Mall, Mission Viejo, CA	9,139	104,049	113,188	3,765	1996 (Note 4)
Mounds Mall, Anderson, IN	0	4,623	4,623	1,482	1965
Muncie Mall, Muncie, IN	224	25,381	25,605	3,246	1970
Nanuet Mall, Nanuet, NY	27,700	163,109	190,809	1,168	1998 (Note 4)
North East Mall, Hurst, TX	3,544	32,064	35,608	3,319	1996 (Note 4)
North Towne Square, Toledo, OH	579	10,431	11,010	3,743	1980
Northgate Mall, Seattle, WA	89,991	75,590	165,581	4,681	1996 (Note 4)
Northlake Mall, Atlanta, GA	33,400	98,035	131,435	704	1998 (Note 4)
Northwoods Mall, Peoria, IL	2,652	38,331	40,983	7,863	1983 (Note 3)
Oak Court Mall, Memphis, TN	15,673	58,035	73,708	2,134	1997 (Note 4)
Orange Park Mall, Jacksonville, FL	13,345	78,502	91,847	8,361	1994 (Note 3)
Orland Square, Orland Park, IL	36,770	130,361	167,131	4,451	1997 (Note 4)
Paddock Mall, Ocala, FL	20,420	34,824	55,244	2,296	1996 (Note 4)
Palm Beach Mall, West Palm Beach, FL	12,549	113,375	125,924	11,500	1998 (Note 4)
Phipps Plaza, Atlanta, GA	19,200	210,784	229,984	1,508	1998 (Note 4)
Port Charlotte Town Center, Port Charlotte, FL	5,561	66,055	71,616	4,114	1996 (Note 4)
Prien Lake Mall, Lake Charles, LA	5,006	38,543	43,549	2,000	1972
Raleigh Springs Mall, Memphis, TN	9,137	29,734	38,871	2,085	1996 (Note 4)
Randall Park Mall, Cleveland, OH	4,421	58,981	63,402	3,892	1996 (Note 4)
Richardson Square, Dallas, TX	5,942	17,444	23,386	1,736	1996 (Note 4)
Richmond Towne Square, Cleveland, OH	2,666	31,623	34,289	908	1996 (Note 4)
Richmond Square, Richmond, IN	3,410	19,638	23,048	1,262	1996 (Note 4)
River Oaks Center, Calumet City, IL	30,884	101,235	132,119	3,412	1997 (Note 4)
Rockaway Townsquare, Rockaway, NJ	50,500	219,209	269,709	1,569	1998 (Note 4)
Rolling Oaks Mall, North San Antonio, TX	2,577	39,837	42,414	8,802	1998 (Note 4)
Roosevelt Field, Garden City, NY	165,500	705,786	871,286	5,064	1998 (Note 4)
Ross Park Mall, Pittsburgh, PA	24,174	97,773	121,947	9,543	1996 (Note 4)
Santa Rosa Plaza, Santa Rosa, CA	10,400	87,942	98,342	631	1998 (Note 4)
South Hills Village, Pittsburgh, PA	23,453	126,619	150,072	3,955	1997 (Note 4)
South Park Mall, Shreveport, LA	929	16,436	17,365	4,454	1975
South Shore Plaza, Braintree, MA	101,200	301,674	402,874	2,158	1998 (Note 4)
Southern Park Mall, Youngstown, OH	17,079	90,855	107,934	6,234	1996 (Note 4)

SIMON PROPERTY GROUP, L.P.
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 1998

SCHEDULE III

(Dollars in thousands)

		Initial Cost		Cost Capitalized Subsequent to Acquisition	
Name, Location	Encumbrances	Land	Buildings and Improvements	Land	Buildings and Improvements
Southgate Mall, Yuma, AZ	0	1,817	7,974	0	3,310
St Charles Towne Center Waldorf, MD	0	9,329	52,974	1,180	9,667
Summit Mall, Akron, OH	0	24,814	45,036	0	11,106
Sunland Park Mall, El Paso, TX	39,506	2,896	28,900	0	3,073
Tacoma Mall, Tacoma, WA	92,474	39,504	125,826	0	4,413
Tippecanoe Mall, Lafayette, IN	62,255	4,187	8,474	5,517	32,494
Town Center at Boca Raton Boca Raton, FL	0	64,200	307,511	0	831
Towne East Square, Wichita, KS	81,006	9,495	18,479	2,042	9,177
Towne West Square, Wichita, KS	0	988	21,203	76	6,987
Treasure Coast Square, Jenson Beach, FL	53,218	11,124	73,108	0	3,308
Tyrone Square, St. Petersburg, FL	0	15,638	120,962	0	9,840
University Mall, Little Rock, AR	0	123	17,411	0	815
University Mall, Pensacola, FL	0	4,741	26,657	0	2,939
University Park Mall, South Bend, IN	59,500	15,105	61,466	0	7,902
Upper Valley Mall, Springfield, OH	30,940	8,421	38,745	0	1,305
Valle Vista Mall, Harlingen, TX	42,130	1,398	17,266	372	7,978
Virginia Center Commons, Richmond, VA	0	9,764	50,757	4,149	2,909
Walt Whitman Mall, Huntington Station, NY	0	51,700	111,170	3,579	20,660
Washington Square, Indianapolis, IN	33,541	20,146	41,248	0	2,747
West Ridge Mall, Topeka, KS	44,288	5,775	34,132	197	3,811
Westminster Mall, Westminster, CA	0	45,200	84,709	0	132
White Oaks Mall, Springfield, IL	16,500	3,024	35,692	1,153	13,980
Windsor Park Mall, San Antonio, TX	14,636	1,194	16,940	130	3,253
Woodville Mall, Toledo, OH	0	1,831	4,454	0	665
Community Shopping Centers					
Arboretum, The, Austin, TX	34,000	7,640	36,778	0	6
Arvada Plaza, Arvada, CO	0	70	342	608	699
Aurora Plaza, Aurora, CO	0	35	5,754	0	982
Bloomingdale Court, Bloomingdale, IL	27,359	8,764	26,184	0	1,617
Boardman Plaza, Youngstown, OH	18,277	8,189	26,355	0	1,694
Bridgeview Court, Bridgeview, IL	0	302	3,638	0	703
Brightwood Plaza, Indianapolis, IN	0	65	128	0	252
Buffalo Grove Towne Center, Buffalo Grove, IL	0	1,387	6,602	126	256
Celina Plaza, El Paso, TX	0	138	815	0	47
Century Mall, Merrillville, IN	0	2,190	9,589	0	1,376
Charles Towne Square, Charleston, SC	0	446	1,768	425	10,917
Chesapeake Center, Chesapeake, VA	6,563	5,352	12,279	0	74
Cohoes Commons, Rochester, NY	0	1,698	8,426	0	(72)
Countryside Plaza, Countryside, IL	0	1,243	8,507	0	473
Eastgate Consumer Mall, Indianapolis, IN	22,929	424	4,722	187	2,880
Eastland Plaza, Tulsa, OK	0	908	3,709	0	(26)
Forest Plaza, Rockford, IL	16,904	4,187	16,818	453	552
Fox River Plaza, Elgin, IL	12,654	2,908	9,453	0	45
Glen Burnie Mall, Glen Burnie, MD	0	7,422	22,778	0	2,424
Great Lakes Plaza, Cleveland, OH	0	1,028	2,025	0	3,138
Greenwood Plus, Greenwood, IN	0	1,350	1,792	0	3,680
Griffith Park Plaza, Griffith, IN	0	0	2,412	0	111
Grove at Lakeland Square, The, Lakeland, FL	3,750	5,237	6,016	0	921

	Gross Amounts At Which Carried At Close of Period				
Name, Location	Land	Buildings and Improvements	Total	Accumulated Depreciation	Date of Construction
Southgate Mall, Yuma, AZ	1,817	11,284	13,101	2,213	1988 (Note 3)
St Charles Towne Center Waldorf, MD	10,509	62,641	73,150	12,805	1990
Summit Mall, Akron, OH	24,814	56,142	80,956	4,048	1996 (Note 4)
Sunland Park Mall, El Paso, TX	2,896	31,973	34,869	7,687	1988
Tacoma Mall, Tacoma, WA	39,504	130,239	169,743	8,978	1996 (Note 4)
Tippecanoe Mall, Lafayette, IN	9,704	40,968	50,672	9,214	1973
Town Center at Boca Raton Boca Raton, FL	64,200	308,342	372,542	2,078	1998 (Note 4)
Towne East Square, Wichita, KS	11,537	27,656	39,193	7,361	1975
Towne West Square, Wichita, KS	1,064	28,190	29,254	6,774	1980
Treasure Coast Square, Jenson Beach, FL	11,124	76,416	87,540	5,135	1996 (Note 4)
Tyrone Square, St. Petersburg, FL	15,638	130,802	146,440	8,540	1996 (Note 4)
University Mall, Little Rock, AR	123	18,226	18,349	4,659	1967
University Mall, Pensacola, FL	4,741	29,596	34,337	3,585	1994 (Note 3)

University Park Mall, South Bend, IN	15,105	69,368	84,473	24,542	1996 (Note 4)
Upper Valley Mall, Springfield, OH	8,421	40,050	48,471	2,790	1996 (Note 4)
Valle Vista Mall, Harlingen, TX	1,770	25,244	27,014	5,280	1983
Virginia Center Commons, Richmond, VA	13,913	53,666	67,579	2,950	1996 (Note 4)
Walt Whitman Mall, Huntington Station, NY	55,279	131,830	187,109	1,259	1998 (Note 4)
Washington Square, Indianapolis, IN	20,146	43,995	64,141	2,938	1996 (Note 4)
West Ridge Mall, Topeka, KS	5,972	37,943	43,915	7,322	1988
Westminster Mall, Westminster, CA	45,200	84,841	130,041	616	1998 (Note 4)
White Oaks Mall, Springfield, IL	4,177	49,672	53,849	6,802	1977
Windsor Park Mall, San Antonio, TX	1,324	20,193	21,517	4,866	1976
Woodville Mall, Toledo, OH	1,831	5,119	6,950	415	1996 (Note 4)
Community Shopping Centers					
Arboretum, The, Austin, TX	7,640	36,784	44,424	87	1998 (Note 4)
Arvada Plaza, Arvada, CO	678	1,041	1,719	302	1966
Aurora Plaza, Aurora, CO	35	6,736	6,771	1,722	1966
Bloomingdale Court, Bloomingdale, IL	8,764	27,801	36,565	4,063	1987
Boardman Plaza, Youngstown, OH	8,189	28,049	36,238	1,890	1996 (Note 4)
Bridgeview Court, Bridgeview, IL	302	4,341	4,643	817	1988
Brightwood Plaza, Indianapolis, IN	65	380	445	118	1965
Buffalo Grove Towne Center, Buffalo Grove, IL	1,513	6,858	8,371	586	1988
Celina Plaza, El Paso, TX	138	862	1,000	180	1978
Century Mall, Merrillville, IN	2,190	10,965	13,155	3,417	1992 (Note 3)
Charles Towne Square, Charleston, SC	871	12,685	13,556	0	1976
Chesapeake Center, Chesapeake, VA	5,352	12,353	17,705	855	1996 (Note 4)
Cohoes Commons, Rochester, NY	1,698	8,354	10,052	2,024	1984
Countryside Plaza, Countryside, IL	1,243	8,980	10,223	2,075	1977
Eastgate Consumer Mall, Indianapolis, IN	611	7,602	8,213	3,190	1991 (Note 3)
Eastland Plaza, Tulsa, OK	908	3,683	4,591	595	1986
Forest Plaza, Rockford, IL	4,640	17,370	22,010	2,346	1985
Fox River Plaza, Elgin, IL	2,908	9,498	12,406	1,297	1985
Glen Burnie Mall, Glen Burnie, MD	7,422	25,202	32,624	1,718	1996 (Note 4)
Great Lakes Plaza, Cleveland, OH	1,028	5,163	6,191	440	1996 (Note 4)
Greenwood Plus, Greenwood, IN	1,350	5,472	6,822	729	1979 (Note 3)
Griffith Park Plaza, Griffith, IN	0	2,523	2,523	667	1979
Grove at Lakeland Square, The, Lakeland, FL	5,237	6,937	12,174	543	1996 (Note 4)

SIMON PROPERTY GROUP, L.P.
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 1998

SCHEDULE III

(Dollars in thousands)

Name, Location	Encumbrances	Initial Cost Land	Initial Cost Buildings and Improvements	Cost Capitalized Subsequent to Acquisition Land	Cost Capitalized Subsequent to Acquisition Buildings and Improvements
Hammond Square, Sandy Springs, GA	0	0	27	0	1
Highland Lakes Center, Orlando, FL	14,377	13,951	18,490	0	340
Ingram Plaza, San Antonio, TX	0	421	1,802	4	21
Keystone Shoppes, Indianapolis, IN	0	0	4,232	0	0
Knoxville Commons, Knoxville, TN	0	3,731	5,345	0	1,623
Lake Plaza, Waukegan, IL	0	2,868	6,420	0	340
Lake View Plaza, Orland Park, IL	22,169	4,775	17,586	0	554
Lima Center, Lima, OH	0	1,808	5,151	0	85
Lincoln Crossing, O'Fallon, IL	997	1,079	2,692	0	158
Mainland Crossing, Galveston, TX	2,226	1,850	1,737	0	138
Maplewood Square, Omaha, NE	0	466	1,249	0	577
Markland Plaza, Kokomo, IN	0	210	1,258	0	453
Martinsville Plaza, Martinsville, VA	0	0	584	0	45
Marwood Plaza, Indianapolis, IN	0	52	3,597	0	107
Matteson Plaza, Matteson, IL	11,159	1,830	9,737	0	1,683
Memorial Plaza, Sheboygan, WI	0	250	436	0	857
Mounds Mall Cinema, Anderson, IN	0	88	158	0	1
Muncie Plaza, Muncie, IN		626	10,626	(397)	177
New Castle Plaza, New Castle, IN	0	128	1,621	0	641
North Ridge Plaza, Joliet, IL	0	2,831	7,699	0	438
North Riverside Park Plaza, N. Riverside, IL	7,535	1,062	2,490	0	429
Northland Plaza, Columbus, OH	0	4,490	8,893	0	1,035
Northwood Plaza, Fort Wayne, IN	0	302	2,922	0	566
Park Plaza, Hopkinsville, KY	0	300	1,572	0	89
Regency Plaza, St. Charles, MO	1,878	616	4,963	0	165
Rockaway Convenience Center Rockaway, NJ		2,900	12,500	0	0
St. Charles Towne Plaza, Waldorf, MD	30,742	8,779	18,993	0	141
Teal Plaza, Lafayette, IN	0	99	878	0	2,957
Terrace at The Florida Mall, Orlando, FL	4,688	5,647	4,126	0	981
Tippecanoe Plaza, Lafayette, IN	0	265	440	305	4,842
University Center, South Bend, IN	0	2,388	5,214	0	71
Wabash Village, West Lafayette, IN	0	0	976	0	204
Washington Plaza, Indianapolis, IN	0	941	1,697	0	13
West Ridge Plaza, Topeka, KS	4,612	1,491	4,620	0	551
White Oaks Plaza, Springfield, IL	12,345	3,265	14,267	0	193
Wichita Mall, Wichita, KS	0	0	4,535	0	1,710
Wood Plaza, Fort Dodge, IA	0	45	380	0	756
Specialty Retail Centers					
The Forum Shops at Caesars, Las Vegas, NV	175,000	0	72,866	0	58,458
Trolley Square, Salt Lake City, UT	27,141	4,899	27,539	363	7,750
Office ,Mixed-Use Properties and Other					
The Charles Hotel	0	23,500	0	0	0
Lenox Building, Atlanta, GA		0	57,778	0	1
Net Lease Properties	847	10,975	0	0	0
New Orleans Centre/CNG Tower, New Orleans, LA	0	3,679	41,231	0	3,164
O Hare International Center,	0				

Name, Location	Gross Amounts At Which Carried At Close of Period Land	Buildings and Improvements	Total	Accumulated Depreciation	Date of Construction
Hammond Square, Sandy Springs, GA	0	28	28	7	1974
Highland Lakes Center, Orlando, FL	13,951	18,830	32,781	1,344	1996 (Note 4)
Ingram Plaza, San Antonio, TX	425	1,823	2,248	560	1980
Keystone Shoppes, Indianapolis, IN	0	4,232	4,232	128	1997 (Note 4)
Knoxville Commons, Knoxville, TN	3,731	6,968	10,699	1,107	1987
Lake Plaza, Waukegan, IL	2,868	6,760	9,628	871	1986
Lake View Plaza, Orland Park, IL	4,775	18,140	22,915	2,422	1986
Lima Center, Lima, OH	1,808	5,236	7,044	355	1996 (Note 4)
Lincoln Crossing, O'Fallon, IL	1,079	2,850	3,929	347	1990
Mainland Crossing, Galveston, TX	1,850	1,875	3,725	147	1996 (Note 4)
Maplewood Square, Omaha, NE	466	1,826	2,292	396	1970
Markland Plaza, Kokomo, IN	210	1,711	1,921	469	1974
Martinsville Plaza, Martinsville, VA	0	629	629	332	1967
Marwood Plaza, Indianapolis, IN	52	3,704	3,756	700	1962
Matteson Plaza, Matteson, IL	1,830	11,420	13,250	1,609	1988
Memorial Plaza, Sheboygan, WI	250	1,293	1,543	306	1966
Mounds Mall Cinema, Anderson, IN	88	159	247	50	1974

Muncie Plaza, Muncie, IN	229	10,803	11,032	295	1998
New Castle Plaza, New Castle, IN	128	2,262	2,390	591	1966
North Ridge Plaza, Joliet, IL	2,831	8,137	10,968	1,237	1985
North Riverside Park Plaza,					
N. Riverside, IL	1,062	2,919	3,981	782	1977
Northland Plaza, Columbus, OH	4,490	9,928	14,418	1,235	1988
Northwood Plaza, Fort Wayne, IN	302	3,488	3,790	832	1974
Park Plaza, Hopkinsville, KY	300	1,661	1,961	377	1968
Regency Plaza, St. Charles, MO	616	5,128	5,744	645	1988
Rockaway Convenience Center					
Rockaway, NJ	2,900	12,500	15,400	89	1998 (Note 4)
St. Charles Towne Plaza, Waldorf, MD	8,779	19,134	27,913	2,733	1987
Teal Plaza, Lafayette, IN	99	3,835	3,934	266	1962
Terrace at The Florida Mall, Orlando, FL	5,647	5,107	10,754	489	1996 (Note 4)
Tippecanoe Plaza, Lafayette, IN	570	5,282	5,852	873	1974
University Center, South Bend, IN	2,388	5,285	7,673	3,639	1996 (Note 4)
Wabash Village, West Lafayette, IN	0	1,180	1,180	286	1970
Washington Plaza, Indianapolis, IN	941	1,710	2,651	713	1996 (Note 4)
West Ridge Plaza, Topeka, KS	1,491	5,171	6,662	685	1988
White Oaks Plaza, Springfield, IL	3,265	14,460	17,725	1,886	1986
Wichita Mall, Wichita, KS	0	6,245	6,245	1,598	1969
Wood Plaza, Fort Dodge, IA	45	1,136	1,181	272	1968
Specialty Retail Centers					
The Forum Shops at Caesars,					
Las Vegas, NV	0	131,324	131,324	19,008	1992
Trolley Square, Salt Lake City, UT	5,262	35,289	40,551	6,565	1986 (Note 3)
Office ,Mixed-Use Properties and Other					
The Charles Hotel	23,500	0	23,500	0	
Lenox Building, Atlanta, GA	0	57,779	57,779	417	1998 (Note 4)
Net Lease Properties	10,975	0	10,975	0	
New Orleans Centre/CNG Tower,					
New Orleans, LA	3,679	44,395	48,074	2,893	1996 (Note 4)
O Hare International Center,					

SIMON PROPERTY GROUP, L.P.
REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 1998

SCHEDULE III

(Dollars in thousands)

Name, Location	Encumbrances	Initial Cost: Land	Initial Cost: Buildings and Improvements	Cost Capitalized Subsequent to Acquisition: Land	Cost Capitalized Subsequent to Acquisition: Buildings and Improvements
Rosemont, IL	0	125	60,287	1	9,128
Riverway, Rosemont, IL	0	8,739	129,175	16	6,282
Three Dag Hammarskjold (Land)	0	8,625	0	0	0
Development Projects					
Bowie Town Center, Bowie, MD		6,000	570	0	317
Indian River Peripheral, Vero		0	0	0	0
Beach, FL		790	57	0	0
Shops at North East Plaza, The, Hurst, TX		8,988	2,198	4,376	1,429
Victoria Ward, Honolulu, HI	0	0	1,400	0	475
Waterford Lakes, Orlando, FL	0	0	1,114	11,944	2,096
Other	0	0	314	0	326
Corporate	0	0	500	280	3,799
	$2,775,241	$1,981,944	$8,465,064	$84,517	$1,072,246

Name, Location	Gross Amounts At Which Carried At Close of Period: Land	Gross Amounts At Which Carried At Close of Period: Buildings and Improvements	Total	Accumulated Depreciation	Date of Construction
Rosemont, IL	126	69,415	69,541	17,793	1988
Riverway, Rosemont, IL	8,755	135,457	144,212	33,972	1991
Three Dag Hammarskjold (Land)	8,625	0	8,625	0	1998 (Note 4)
Development Projects					
Bowie Town Center, Bowie, MD	6,000	887	6,887	0	
Indian River Peripheral, Vero	0	0	0	0	
Beach, FL	790	57	847	0	1996 (Note 4)
Shops at North East Plaza, The, Hurst, TX	13,364	3,627	16,991	0	
Victoria Ward, Honolulu, HI	0	1,875	1,875	0	
Waterford Lakes, Orlando, FL	11,944	3,210	15,154	0	
Other	0	640	640	0	
Corporate	280	4,299	4,579	779	
	$2,066,461	$9,537,310	$11,603,771	$688,955	

SIMON PROPERTY GROUP, L.P.

NOTES TO SCHEDULE III AS OF DECEMBER 31, 1998

(Dollars in thousands)

(1) Reconciliation of Real Estate Properties:

The changes in real estate assets for the years ended December 31, 1998, 1997 and 1996 are as follows:

	1998	1997	1996
Balance, beginning of year	$ 6,814,065	$5,273,465	$2,143,925
Acquisitions	4,676,634	1,238,909	2,843,287
Improvements	356,829	312,558	224,605
Disposals	(126,454)	(10,867)	(19,579)
Consolidation/Deconsolidation	(117,303)	--	81,227
Balance, close of year	$11,603,771	$6,814,065	$5,273,465

The aggregate net book value for federal income tax purposes as of December 31, 1998 was $6,306,234.

(2) Reconciliation of Accumulated Depreciation:

The changes in accumulated depreciation and amortization for the years ended December 31, 1998, 1997 and 1996 are as follows:

	1998	1997	1996
Balance, beginning of year	$448,353	$270,637	$147,341
Acquisitions	25,839	--	--
Carryover of minority partners' interest in accumulated depreciation of DeBartolo Properties	--	--	13,505
Depreciation expense	246,934	183,357	120,565
Disposals	(32,171)	(5,641)	(10,774)
Balance, close of year	$688,955	$448,353	$270,637

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

Buildings and Improvements - typically 35 years
Tenant Inducements - shorter of lease term or useful life

(3) Initial cost represents net book value at December 20, 1993.

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

INDEX TO EXHIBITS

10.11(a)	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)).	
10.12(b)	Option Agreement to acquire the Excluded Retail Properties. (Previously filed as Exhibit 10.10.)	
10.13(b)	Option Agreement to acquire the Excluded PropertiesLand. (Previously filed as Exhibit 10.11.)	
10.14(b)	Option Agreements dated as of December 1, 1993 between the Management Company and The SPG Operating Partnership (Previously filed as Exhibit 10.20.)	
10.15(b)	Option Agreement dated as of December 1, 1993 to acquire Development Land. (Previously filed as Exhibit 10.22.)	
10.16(b)	Option Agreement dated December 1, 1993 between the Management Company and The SPG Operating Partnership (Previously filed as Exhibit 10.25.)	
10.17(b)	Lock-Up Agreement dated December 20, 1993 between MSA and The SPG Operating Partnership (Previously filed as Exhibit 10.27.)	
10.18	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).)	
10.19	Office Lease between the SPG Operating Partnership and an affiliate of EJDC (Southwoods Executive Center)	
10.20	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).)	
10.21	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).)	
10.22	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).)	
10.23	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).)	
10.24	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).)	
10.25	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 SPG's 1996 Form 10-K).	
10.26	Limited Partnership Agreement of SDG Macerich Properties, L.P.	90
21.1	List of Subsidiaries of the SPG Operating Partnership.	91
23.1	Consent of Arthur Andersen LLP.	

(a) Represents a management contract, or compensatory plan, contract or arrangement required to be filed pursuant to Regulation S-K.

(b) Incorporated by reference to the exhibit indicated of Old SPG's 1993 Form 10-K.

Exhibit 10.19

LEASE

Between

7655 CORPORATION

and

SIMON PROPERTY GROUP, L.P.

INDEX OF LEASE

Between

7655 CORPORATION

and

SIMON PROPERTY GROUP, L.P.

LEASE

THIS LEASE, made and entered into by and between 7655 Corporation, ("Landlord"), and Simon Property Group, L.P., ("Tenant"), as of the 1st day of January, 1999 ("Effective Date").

WITNESSETH:

IN CONSIDERATION of the payments of rents and other charges provided for herein and the covenants and conditions hereinafter set forth, Landlord and Tenant hereby covenant and agree as follows:

ARTICLE I Basic Lease Information

1.1. This Article I is an integral part of this Lease and all of the terms hereof are incorporated into this Lease in all respects. In addition to the other provisions which are elsewhere defined in this Lease, the following, whenever used in this Lease, shall have the meanings set forth in this Section 1.1:

1.1.1. Building: Southwoods Executive Centre, 100 DeBartolo Place, situated in the Township of Boardman, County of Mahoning, State of Ohio .

1.1.2. Premises: Approximately seven thousand ninety-two (7,092) square feet of Floor Area (irregular in shape) on the ground floor and approximately thirty- three thousand six hundred eighteen (33,618) square feet of Floor Area (irregular in shape) on the first floor of the Building, located approximately as delineated in red on Exhibit "A" hereto (Article III).

1.1.3. Office Space: A portion of the Premises consisting of approximately three thousand six hundred sixty-seven (3,667) square feet of Floor Area (irregular in shape) on the ground floor and approximately thirty-three thousand (33,000) square feet of Floor Area (irregular in shape) on the first floor of the Building, located approximately as delineated in yellow on Exhibit "A" hereto (Article III).

1.1.4. Storage Space: A portion of the Premises consisting of approximately three thousand four hundred twenty-five (3,425) square feet of Floor Area (irregular in shape) on the ground floor, located approximately as delineated in green on Exhibit "A" hereto (Article III).

1.1.5. Initial Term: Three (3) Lease Years following the Effective Date (Article IV).

1.1.6. Renewal Terms: Two (2) consecutive periods of two (2) Lease Years each (Article IV).

1.1.7. Term: The Initial Term, together with the Option Term(s), if exercised (Article IV).

1.1.8. Minimum Rent:

Term	Annual Minimum Rent
Initial Term	Eleven and 50/100 Dollars ($11.50) per square foot of Floor Area within the Office Space and Five and no/100 Dollars ($5.00) per square foot of Floor Area within the Storage Space

First Renewal Term	Twelve and 50/100 Dollars ($12.50) per square foot of Floor Area and Five and no/100 Dollars ($5.00) per square foot of Floor Area within the Storage Space

(Article V).

1.1.9. Permitted Use: The Premises shall be occupied and used for the purpose of general office purposes and for no other purpose (Article VIII).

1.1.10. Notice Address:

(i) Landlord: 7620 Market Street, Post Office Box 9128, Youngstown, Ohio 44513-9128;

(ii) Tenant: 115 West Washington Street, Indianapolis IN 46204 (Article XXVII).

1.2. Reference to Articles and Exhibits appearing in Section 1.1 are intended to designate some of the other places in this Lease where additional provisions applicable to the particular Lease provision appear. These references are for convenience only and shall not be deemed all inclusive. Each reference in this Lease to any of the Lease provisions contained in Section 1.1 shall be construed to incorporate all of the terms provided for under such provisions and such provisions shall be read in conjunction with all other provisions of this Lease applicable thereto. If there is any conflict between any of the Lease provisions set forth in Section 1.1 and any other provisions of this Lease, the latter shall control.

ARTICLE II Definition of Terms

2.1. "Lease Year" shall mean each twelve (12) month period beginning with the Effective Date, and each anniversary thereof. "Partial Lease Year" shall mean any period of less than twelve (12) full calendar months.

2.2. "Floor Area" shall mean the "usable area" as such term is defined in the American National Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1 -- 1989, approved June 21, 1989, by American National Standards Institute, Inc. and commonly known as the "BOMA Standard."

2.3. "Landlord's Parcel" shall mean that portion (or portions) of the land delineated in red on Exhibit "B-1" hereto and more particularly described in Exhibit "B-2" hereto and the buildings and other improvements thereon which at any time in question Landlord owns or which Landlord leases as tenant under a sale leaseback or under a ground lease or sublease.

2.4. "Common Areas" shall mean all areas, facilities and improvements provided from time to time for the general common use or benefit of the tenants and other occupants, their officers, agents, employees, invitees and customers, including, without limitation, all parking areas, roadways, pedestrian sidewalks, truckways, access roads, driveways, ramps, loading docks, delivery areas, parking lots and garages, courts, service corridors, hallways, roofs, concourses, landscaped and vacant areas, elevators and escalators and stairs not contained in leased areas, retaining walls, drinking fountains, public restrooms and comfort stations, lounges, first aid stations, directory equipment, information facilities, public meeting rooms, auditoriums, maintenance rooms, Building management office rooms, lighting facilities, storm and sanitary sewer systems, utility lines, and water filtration and treatment facilities, including, but not limited to, disposal plants and lift stations and retention ponds or basins, located within Landlord's Parcel.

ARTICLE III Premises

Landlord hereby leases to Tenant and Tenant hereby rents from Landlord the Premises. The Premises consist of both the Office Space and the Storage Space. Nothing herein shall be deemed to distinguish the rights and obligations of Landlord and Tenant between the Office Space and the Storage Space, the sole reason for the distinction between such portions of the Premises being the difference in applicable rate of Minimum Rent as provided in Section 5.2. The Premises shall be deemed not to include either the land lying thereunder or the exterior walls or roof of the Building.

ARTICLE IV Term of Lease

4.1. TO HAVE AND TO HOLD for a term to commence as of the Effective Date and ending after the expiration of three (3) Lease Years set forth in Article I, unless extended as provided in Section 4.2 hereof, or sooner terminated as herein provided. Upon the request of either party, the parties hereto shall join in the execution of an agreement stipulating the expiration date of the Initial Term.

4.2. Provided no Event of Default has occurred with respect to Tenant and is then continuing, Tenant may extend the Term for one (1) consecutive term (the "First Renewal Term")of two (2) Lease Years by giving notice of its intention to do so to Landlord. Provided no Event of Default has occurred with respect to Tenant and is then continuing, and Tenant elects to extend the Term for the First Renewal Term as aforesaid, then Tenant may further extend the Term for one (1) further consecutive term (the "Second Renewal Term")of two (2) Lease Years by giving an additional notice of its intention to do so to Landlord. Any such notice of extension must be given by Tenant and received by Landlord at least one (1) year prior to the expiration of the Initial Term, and, if Tenant elects to extend the Term as aforesaid, at least one (1) year prior to the expiration of this Lease as extended, the timeliness of such receipt being the essence of this Article. Said renewal(s) shall be upon all the terms and provisions of this Lease except that no further renewals or options shall be included, and the Minimum Rent for the Renewal Period(s) shall be as provided in Section 5.2.

ARTICLE V Minimum Rent

5.1. Tenant shall pay to Landlord from and after the Effective Date the Minimum Rent in equal monthly installments, all in advance, on the first day of every calendar month during the Term. If the Effective Date should occur on a day other than the first day of the month or if the Term ends on a day other than the last day of the month, Tenant shall pay Minimum Rent and all items of additional rent prorated based upon the number of rental days in such fractional month over the number of days contained in such month.

5.2. During the Initial Term and the First Renewal Term, Tenant shall pay Minimum Rent at the annual minimum rent rates set forth in Section 1.1, as provided in Section 5.1. If Tenant elects to extend the Term for the Second Renewal Term, Tenant shall pay Minimum Rent during the Second Renewal Term equal to the Market Rent. The term "Market Rent" means the amount of rent that would be charged for comparable premises with comparable levels of finish in a suburban location in the Youngstown, Ohio metropolitan area, assuming a lease containing terms and conditions (other than Minimum Rent) comparable to this Lease. Promptly after delivery of Tenant's notice, Landlord and Tenant shall seek to agree upon the Market Rent. If Landlord and Tenant are unable to reach agreement upon the Market Rent within sixty (60) days after delivery of Tenant's notice, either Landlord or Tenant may institute the appraisal procedure set forth herein by notice to the other party. In the event the parties are unable to mutually agree upon the Market Rent within thirty (30) days of the date the appraisal procedure of this Section 5.2 is instituted as provided in this Agreement, they shall each select one (1) appraiser to determine the Market Rent. Each appraiser so selected shall furnish Landlord and Tenant with a written appraisal within thirty (30) days of his or her selection, setting forth his or her determination of Market Rent. If only one appraisal is submitted within the requisite time period, the determination of the Market Rent pursuant to such appraisal shall be final and binding on Landlord and Tenant. If both appraisals are submitted within such time period, and if the two appraisals so submitted differ by less than ten percent (10%) of the lower of the two, the average of the two (2) shall be the determination of fair market value and shall be final and binding on Landlord and Tenant. If the two appraisals differ by more than ten percent (10%) of the lower of the two (2), then the two (2) appraisers shall immediately select a third appraiser who shall within thirty (30) days after his or her selection make a determination of the Market Rent and submit such determination to Landlord and Tenant. The third appraisal will then be averaged with the closer of the two (2) previous appraisals and the result shall be the determination of fair market value and shall be final and binding on Landlord and Tenant, unless the first two (2) appraisals differ from the third appraisal by the same amount, in which case the first two (2) appraisals shall be disregarded and the determination of the fair market value pursuant to the third appraisal shall be final and binding on Landlord and Tenant. All appraisers appointed pursuant to this Section 5.2 shall be professional commercial real estate appraisers, experienced in the appraisal of office properties in the northeast Ohio region. The cost of each appraiser shall be borne by equally by Landlord and Tenant.

5.3. At any time during the Initial Term, either Landlord or Tenant may elect to cause a licensed engineering or architectural firm measure and calculate the Floor Area contained within the Premises, the Office Space and the Storage Space. Such engineering or architectural firm shall certify its measurements and calculations to Landlord and Tenant. Unless and until such determination is made, the Floor Area of the Premises shall be deemed to be forty thousand (40,000) square feet, the Floor Area of the Office Space shall be deemed to be thirty-six thousand six hundred sixty-seven (36,667) square feet, and the Floor Area of the Storage Space shall be deemed to be three thousand four hundred twenty-five (3,425) square feet.

5.4. If Tenant shall fail to pay any installment of Minimum Rent or any item of additional rent within ten (10) days after the date the same become due and payable, then Tenant shall pay to Landlord a late payment service charge ("Late Charge") covering administrative and overhead expenses equal to the greater of (a) Two Hundred Fifty and 00/100 Dollars ($250.00), or (b) five cents (5) per each dollar so overdue. The provision herein for the payment of the Late Charge shall not be construed to extend the date for payment of any sums required to be paid by Tenant hereunder or to relieve Tenant of its obligation to pay all such sums at the time or times herein stipulated.

5.5. All sums, other than Minimum Rent, payable under any provisions of this Lease shall be deemed additional rent, and upon failure of Tenant to pay any such sum, Landlord shall be entitled to exercise any and all rights and remedies contained herein or at law for the failure to pay Minimum Rent.

ARTICLE VI Condition of Premises

Tenant has inspected the Premises prior to executing this Lease and accepts the Premises on an "as is," "where is" basis and with all faults, and Tenant expressly acknowledges that, in consideration of the agreements of Landlord herein, except as otherwise specified herein, Landlord makes no warranty or representation, express or implied, or arising by operation of law, including, but not limited to, any warranty of condition, habitability, merchantability, tenantability or fitness for a particular purpose, in respect of the Premises, the Building or Landlord's Parcel. Tenant waives and releases any claim that Tenant or any of its successors, assigns, or tenants may have against Landlord now or in the future arising from or relating to any condition, including any environmental condition, within the Premises or Building or on Landlord's Parcel.

ARTICLE VII Use of Premises

7.1. Tenant represents, warrants and covenants as follows:

7.1.1. The Premises shall be occupied and used only for the Permitted Use.

7.1.2. Throughout the Term, Tenant shall operate its business at the Premises in a respectable, reputable, tasteful, competent and dignified manner in a manner consistent with Tenant's prior conduct.

7.1.3. Landlord is executing this Lease in reliance upon the covenants contained in this Section 7.1 and such covenants are a material element of the consideration inducing Landlord to enter into and execute this Lease.

Nothing in this Lease shall be construed as creating an obligation for Tenant to continuously occupy all or any portion of the Premises. If Tenant ceases occupying any material portion of the Premises, Tenant shall notify Landlord and shall secure such portion against intrusion by unauthorized personnel.

7.2. Tenant shall abide by all reasonable rules and regulations established by Landlord, from time to time, with respect to the use and care of the Premises and Landlord's Parcel, including the Building and all Common Areas, and shall:

7.2.1. Conduct no auction, fire or bankruptcy sales or similar practices.

7.2.2. Not in any way obstruct the hallways within or sidewalks adjacent to the Building and store all trash and refuse in appropriate containers within the Premises. Tenant shall not burn any trash or rubbish in or about the Premises or anywhere else within the confines of the Landlord's Parcel.

7.2.3. Load or unload all supplies, fixtures, equipment and furniture only through the entrances designated by Landlord for such activities. Tenant shall not permit trailers or trucks servicing the Premises to remain parked on Landlord's Parcel beyond those periods necessary to service Tenant's operations.

7.2.4. Not permit any rubbish or refuse of any nature emanating from the Premises to accumulate; and not permit the plumbing facilities within or servicing the Premises to be used for any purposes other than that for which they were constructed, and no foreign substances of any kind shall be thrown therein.

7.2.5. Not solicit business in Common Areas or distribute any handbills or other advertising matter in the Common Areas.

7.2.6. Prevent the Premises from being used in any way which may be a nuisance, annoyance, inconvenience or damage to the other tenants or occupants of the Building, including, without limiting the generality of the foregoing, the operation of any instrument or apparatus or equipment or the emission of an odor discernible outside of the Premises and which may be deemed offensive in nature or noise by the playing of any musical instrument or radio or television or the use of a microphone, loudspeaker, electrical equipment or other equipment which may be heard outside of the Premises. Landlord acknowledges that (i) odors from coffee makers and occasional cooking odors from the operation of the limited kitchen facility Tenant has constructed within the Premises; and (ii) customary ammonia odors from the normal operation of the blueprint machines installed by Tenant shall not be deemed to be a violation of the preceding provision.

7.2.7. Not use, occupy, suffer or permit the Premises or any part thereof to be used or occupied for any purpose which may be contrary to law or to the rules or regulations of any public authority or which may be prohibited by or violate any of Landlord's insurance policies or the rules or regulations of the Fire Insurance Rating Organization having jurisdiction or any similar body of which Tenant has actual knowledge, or which will increase any insurance rates and premiums on the Premises, the Building or any other buildings or improvements on Landlord's Parcel.

7.2.8. Promptly comply with all present and future laws, regulations or rules of any county, state, federal and other governmental authority and any bureau and department thereof, and of the National Board of Fire Underwriters or any other body exercising similar function which may be applicable to the Premises and Tenant's specific use thereof, subject to the supervision of Landlord, excluding the making of any required changes to structural and other components of the Building which are Landlord's obligation to maintain hereunder. If Tenant shall install any electrical equipment that overloads the lines in the Premises, Tenant shall make whatever changes are necessary to comply with the requirements of the insurance underwriters and governmental authorities having jurisdiction thereover.

7.2.9. Not specify or use or permit its architect, contractors, subcontractors or any parties performing any work on behalf of Tenant to specify or use any materials known, at the time of such work, to contain any hazardous substance or explosive, carcinogenic or otherwise environmentally impacting materials, other than those that are usual and customary in connection with the construction of any alterations, improvements or additions, the plans and specifications of which have been approved by Landlord (which approval shall be not unreasonably withheld or delayed) and provided, that the use, storage, transportation, handling and disposal of such substances shall at all times be in accordance with all applicable federal, state, and local laws, statutes, ordinances, rules and regulations. Upon completion of such work, Tenant, its architect, contractor, subcontractor or other performing party, as the case may be, shall deliver to Landlord or Landlord's designee a certification stating that no, hazardous substance or explosive, carcinogenic or otherwise environmentally impacting materials have been specified or used in such work except as permitted herein. Tenant shall obligate its architect, contractor, subcontractor or other performing party to provide such certification.

7.2.10. Not store, handle, use, sell, generate or release either directly or indirectly on the Premises or elsewhere on Landlord's Parcel, any hazardous substances. The term "hazardous substances" shall mean any hazardous or toxic substances, materials or wastes regulated under any federal, state or local statute, ordinance, rule, regulation or other law now or hereafter in effect pertaining to environmental protection, contamination, remediation or worker safety, including, without limitation, any substance, waste or material, which now or hereafter (i) is listed by the United States Department of Transportation or by the Environmental Protection Agency as a "hazardous substance"; (ii) is designated as a "hazardous substance" under or pursuant to the Federal Water Pollution Control Act, as amended; (iii) is defined as a "hazardous waste" under or pursuant to the Resource Conservation and Recovery Act, as amended; (iv) is defined as a "hazardous substance" under or pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, as amended; or (v) is similarly designated or defined under or pursuant to the Superfund Amendments and Reauthorization Act and all other federal, state and local laws relating in any way to the protection of the environment. Upon notice to Tenant, Landlord may conduct an environmental audit or similar related procedure of the Premises. Notwithstanding the foregoing provisions, Tenant will be using lubricants and cleaners, as well as other items which are usual and customary in Tenant's type of business, but not in any quantity greater than that which would be found in a similar type business, which may be deemed hazardous substances under the above definition. Landlord consents to the presence and use of the same on the Premises; provided, however, that the use, storage, transportation, handling and disposal of such substances by Tenant shall at all times be in accordance with all applicable federal, state, and local laws, statutes, ordinances, rules and regulations.

Landlord acknowledges that, as of the Effective Date and to the actual knowledge of Landlord, Tenant's occupancy of the Premises for the Permitted Use does not violate the provisions of this Article VII.

7.3. If Tenant fails to keep or perform any covenant or term included in Section 7.3 or violates any such covenant or term, and if Tenant fails to cure such failure or violation promptly upon receipt of notice from Landlord and with all due diligence, Landlord may, in addition to any and all other remedies Landlord may have under this Lease or at law or in equity, cure or prosecute the curing of such failure or violation and all third party expenses in connection with such cure or prosecution of such cure of such failure or violation, including without limitation legal fees, shall be paid by Tenant with the next installment of Minimum Rent due under this Lease.

ARTICLE VIII Alterations

Tenant shall not make any alterations, improvements or additions of any kind or nature to the Premises or any part thereof which affect the structural components, mechanical, electrical or HVAC components or the roof of the Building except with the prior approval of Landlord, which approval shall be in Landlord's sole discretion. Tenant may make material alterations, improvements or additions to the Premises or any part thereof which do not affect the structural components, mechanical, electrical or HVAC components or the roof of the Building, provided Tenant has received the prior approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant may make alterations, improvements or additions to the Premises or any part thereof which are not material and do not affect the structural components, mechanical, electrical or HVAC components or the roof of the Building, without prior approval of Landlord. All alterations, improvements and additions to the Premises shall be made in accordance with the plans and specifications prepared by Tenant and approved by Landlord and in accordance with all applicable building codes. The approval by Landlord of the plans and specifications shall not constitute the assumption of any liability on the part of Landlord for their compliance or conformity with applicable building codes and the requirements of this Lease or for their accuracy, and Tenant shall be solely responsible for such plans and specifications. Such alterations, improvements and additions to the Premises shall be done in a good workmanlike manner using first-quality materials and shall at once when made or installed be deemed to have attached to the fee and to have become the property of Landlord (excluding all of Tenant's furniture, fixtures and equipment, regardless of the method of installation in the Premises) and shall remain for the benefit of Landlord at the end of the Term, or other expiration of this Lease, in as good order and condition as they were when installed, reasonable wear and tear excepted. Tenant shall require its contractor and subcontractors to furnish Landlord Certificates of Insurance evidencing insurance coverages with the limits as specified and referenced in Exhibit "C".

ARTICLE IX Maintenance of Premises, Indemnification and Insurance

9.1. Provided no Event of Default has occurred and is continuing, Landlord shall furnish Tenant with the services listed below during business hours.

9.1.1. Elevator and escalator service.

9.1.2. Electric facilities for lighting and small standard business machines as currently available in the Premises. Landlord will furnish the original installation of lamps or bulbs. Replacement of lamps or bulbs, ballasts and starters shall be at Tenant's expense.

9.1.3. Heating, ventilating and air conditioning, electric, water, and sewer services as currently available in the Premises.

9.1.4. Cleaning, janitorial and window washing services standard for the Premises and Building's Common Areas, Monday through Friday, inclusive but excluding New Years Day, Memorial Day, the Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day.

The term "business hours" as used herein shall mean Monday through Friday, inclusive, from 8:00 A.M. to 6:00 P.M. and from 9:00 A.M. to 2:00 P.M. on Saturday, but excluding New Years Day, Memorial Day, the Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day. Tenant shall have access to the Premises on all days of the year and all hours per day. If Tenant chooses to operate areas of the Premises, other than its computer area, beyond the stated business hours, Tenant may notify Landlord at least twenty-four (24) hours in advance and Landlord shall provide the aforesaid services to such areas of the Premises and Tenant will pay monthly, as billed, the sum of One Hundred Dollars ($100.00) per hour for such services. Provision of services at other times shall be at Landlord's option and when so provided shall never be deemed a continuing obligation of Landlord. Any new or additional electrical, plumbing or other facilities required to service equipment installed by Tenant and all changes in existing electrical, plumbing, mechanical and other facilities required by Tenant (if permitted) shall be installed, furnished or made at Tenant's expense in accordance with Article VIII. Landlord, while not warranting that any of the above services will be free from interruptions or suspensions caused by repairs, renewals, improvements, alterations, strikes, lockouts, accidents, inability of Landlord to procure such service or to obtain fuel or supplies, or for other cause or causes beyond Landlord's reasonable control, will nevertheless diligently attempt to make such repairs or renewals to Building distribution lines and facilities as may be required to restore any such service so interrupted or suspended, and shall do so in a manner calculated to minimize, to the extent commercially practicable, any interference with or interruption in Tenant's use and occupancy of the Premises in accordance with this Lease. An interruption or suspension of, or fluctuation in, any service resulting aforesaid cause or causes shall not be construed as an eviction or disturbance of possession or as an election by Landlord to terminate this Lease, nor shall Landlord be in any way responsible or liable for damages, nor shall Tenant be relieved from the performance of Tenant's obligations under this Lease. Notwithstanding the foregoing, if an interruption or suspension of, or fluctuation in, any service resulting from the aforesaid cause or causes shall render the Premises untenantable for a period of forty-eight (48) hours the Minimum Rent hereunder shall be abated until such service is resumed.

9.2. Except for those items which Landlord is expressly obligated to maintain or repair hereunder, Tenant shall keep and maintain in good order, condition and repair the Premises and every part thereof and the fixtures and improvements therein. If Tenant refuses or neglects to commence or complete any of the obligations above set forth promptly and with reasonable diligence following receipt of notice from Landlord describing the nature of such failure, Landlord may, but shall not be required to, make or complete said maintenance or repairs and Tenant shall pay the reasonable cost thereof to Landlord upon demand as additional rent.

9.3. Tenant represents, warrants and covenants as follows:

9.3.1. Tenant shall protect, defend, indemnify, save and hold harmless Landlord and any fee owner or ground or underlying landlords of Landlord's Parcel, or of the Building, against and from any and all claims, liabilities, demands, fines, suits, actions, proceedings, orders, decrees and judgments of any kind or nature by, or in favor of, anyone whomsoever, and against and from any and all costs, damages and expenses, including reasonable attorneys' fees, resulting from, or in connection with, loss of life, bodily or personal injury or property damage arising, directly or indirectly, out of, or from, or on account of: (i) any accident or other occurrence in, upon, at or from the Premises, or occasioned in whole or in part through the use and occupancy of the Premises or any improvements therein or appurtenances thereto, including, without limitation, the negligence of Landlord (but excluding the gross negligence or willful misconduct of Landlord), or by any act or omission of Tenant or any subtenant, concessionaire or licensee of Tenant, or their respective employees, agents, contractors or invitees in, upon, at or from the Premises or its appurtenances or any Common Areas; or (ii) any action of Landlord or Landlord's agents or employees which is taken in reliance upon any act, omission or statement of Tenant or any subtenant, concessionaire or licensee of Tenant, or their respective employees, agents or contractors.

9.3.2. Tenant, and all those claiming by, through and under Tenant, shall store their property in and shall occupy and use the Premises and any improvements therein and appurtenances thereto, and all other portions of the Landlord's Parcel, solely at their own risk, and except as set forth in Section 9.7 below, Tenant, and all those claiming by, through or under Tenant, hereby release Landlord, to the full extent permitted by law, from all claims of every kind, including loss of life, personal or bodily injury, damage to merchandise, equipment, fixtures or other property, or damage to business or for business interruption, arising, directly or indirectly, out of, or from, or on account of, such occupancy and use, including, without limitation, the negligence of Landlord, or resulting from any present or future condition or state of repair thereof. The foregoing sentence shall not be construed to exculpate Landlord from liability for the failure to perform its contractual obligations under this Lease.

9.3.3. Landlord shall not be responsible or liable at any time to Tenant, or to those claiming by, through or under Tenant, for any loss of life, bodily or personal injury, or damage to property or business, or for business interruption, that may be occasioned by any failure by any tenants or occupants of Landlord's Parcel to comply with any of the terms of their leases or agreements or that may be occasioned by or through the acts, omissions or negligence of any other persons, or any other tenants or occupants of Landlord's Parcel; and Tenant hereby expressly waives any claim for such damages against Landlord.

9.3.4. Landlord shall not be responsible or liable at any time for any defects, latent or otherwise, in any buildings or improvements in Landlord's Parcel or any of the equipment, machinery, utilities, appliances or apparatus therein, nor shall Landlord be responsible or liable at any time for loss of life, or injury or damage to any person or to any property or business of Tenant, or those claiming by, through or under Tenant, caused by, or resulting from, the bursting, breaking, leaking, running, seeping, overflowing or backing up of water, steam, gas, sewage, snow or ice in any part of the Premises or caused by, or resulting from, acts of God or the element, or resulting from any defect or negligence in the occupancy, construction, operation or use of any buildings or improvements in Landlord's Parcel, including the Premises, or any of the equipment, fixtures, machinery, appliances or apparatus therein. The foregoing sentence shall not be construed to exculpate Landlord from liability for the failure to perform its contractual obligations under this Lease.

9.3.5. Tenant shall give prompt notice to Landlord in case of fire or other casualty or accidents in the Premises, or in the building of which the Premises forms a part, or of any defects therein or in any of Landlord's fixtures, machinery or equipment.

9.4. Landlord shall procure and continue in force from and after the earlier to occur of the date Landlord delivers possession of the Premises to Tenant, or the date Tenant enters upon the Premises, and throughout the Term: (a) Workers Compensation coverage as required by the state of Ohio and Employers Liability coverage with a limit of not less than One Million Dollars ($1,000,000) per accident and per employee; (b) Commercial General Liability Insurance on an Occurrence form including Products/Completed Operations, Personal/Advertising Injury and Fire Damage Liability coverages, with a limit of not less than One Million Dollars ($1,000,000) per occurrence; (c) Umbrella or Excess insurance in an amount of not less than Five Million Dollars ($5,000,000); (d) Property insurance with Special Causes of Loss (All Risk) form in an amount to cover the full replacement value of the Building; and (e) property insurance with Special Causes of Loss (All Risk) form in an amount to cover the full replacement value of the fixtures, furnishings, wallcoverings, carpeting, drapes, equipment and all other items of personal property of Landlord located on or within the Landlord's Parcel and the Building. The policies required under the preceding clauses (b) and (c) shall name Tenant as an additional insured. All such insurance policies shall contain the following endorsements: (a) that such insurance may not be canceled or amended with respect to Tenant except upon thirty (30) days prior notice from the insurance company to Tenant; (b) that Landlord shall be solely responsible for the payment of all premiums under such policy and that Tenant shall have no obligation for the payment thereof; and (c) a waiver of subrogation as required in Section 12.4.

9.5. Tenant shall procure and continue in force from and after the earlier to occur of the date Landlord delivers possession of the Premises to Tenant, or the date Tenant enters upon the Premises, and throughout the Term: (a) Workers Compensation coverage as required by the state in which the Premises is located and Employers Liability coverage with a limit of not less than One Million Dollars ($1,000,000) per accident and per employee; (b) Commercial General Liability Insurance on an Occurrence form including Products/Completed Operations, Personal/Advertising Injury and Fire Damage Liability coverages, with a limit of not less than One Million Dollars ($1,000,000) per occurrence; (c) Umbrella or Excess insurance in an amount of not less than Five Million Dollars ($5,000,000); (d) Property insurance with Special Causes of Loss (All Risk) form in an amount to cover the full replacement value of all improvements provided by Tenant and the full replacement value of Tenant's trade fixtures, furnishings, wallcoverings, carpeting, drapes, equipment and all other items of personal property of Tenant located on or within the Premises.

9.6. All insurance policies required under (i) clause (a) of Section 9.5, as it relates to Employers Liability insurance, (ii) clauses (b) and (c) of Section 9.5 and (iii) Exhibit "C" shall name Landlord, Landlord's property manager and Landlord's designee(s) as additional insureds, and shall be considered primary insurance applying without the contribution of any other insurance which may be available to Landlord, Landlord's property manager or Landlord's designee(s). All insurance policies required under clauses (d) and (e) of Section 9.5 shall be issued in the names and for the benefit of Landlord, Landlord's property manager, Landlord's designee(s) and Tenant. All insurance policies shall be issued by one or more insurance companies rated A VI or better by the A.M. Best Co. and licensed to do business in the state of Ohio. At Tenant's option, such insurance may be carried under a blanket policy covering the Premises and any other of Tenant's properties provided the provisions of such blanket policy comply with the terms of this Lease and coverage with respect to the Premises is as provided in Section 9.5. The Commercial General liability insurance shall specifically insure Tenant's liability under Section 9.3 hereof. All insurance policies required under Section 9.5 shall contain the following endorsements: (a) that such insurance may not be canceled or amended with respect to Landlord, Landlord's property manager and Landlord's designee(s) except upon thirty (30) days prior notice from the insurance company to Landlord; (b) that Tenant shall be solely responsible for the payment of all premiums under such policy and that Landlord shall have no obligation for the payment thereof; and (c) a waiver of subrogation as required in Section 12.4. In the event of payment of any loss covered by any property damage policy, Landlord shall be paid first by the insurance company for its loss. Tenant shall deliver to Landlord, original Certificates of Insurance evidencing insurance policies required under Section 9.5 and endorsements required by Section 9.6 within ten (10) days of the inception of such policies and endorsements. At least ten (10) days prior to the expiration of any such policies and endorsements, Tenant shall deliver to Landlord original Certificates of Insurance evidencing the renewal of such policies and endorsements. The minimum limits of any insurance coverage to be maintained by Tenant hereunder shall not limit Tenant's liability under Section 9.3 or elsewhere in this Lease.

9.7. Landlord shall protect, defend, indemnify, save and hold harmless Tenant against and from any and all claims, liabilities, demands, fines, suits, actions, proceedings, orders, decrees and judgments of any kind or nature by, or in favor of, anyone whomsoever, and against and from any and all costs, damages and expenses, including reasonable attorneys' fees, resulting from, or in connection with, loss of life, bodily or personal injury or property damage arising, directly or indirectly, out of, or from, or on account of: (i) any accident or other occurrence in, upon, at or from the Landlord's Parcel or the Building, excluding the Premises, or occasioned in whole or in part through the use and occupancy of the Landlord's Parcel or the Building, excluding the Premises or any improvements therein or appurtenances thereto, including, without limitation, the negligence of Tenant (but excluding the gross negligence or willful misconduct of Tenant), or by any act or omission of Landlord, or Landlord's employees, agents, contractors or invitees in, upon, at or from the Landlord's Parcel or the Building, excluding the Premises; or (ii) any action of Tenant or Tenant's agents or employees which is taken in reliance upon any act, omission or statement of Landlord or Landlord's employees, agents or contractors.

ARTICLE X Common Areas

10.1. Landlord hereby grants to Tenant, its employees, invitees and permitted sublessees and assigns, during the Term, the nonexclusive right to use, in common with all others so entitled, the Common Areas for pedestrian and vehicular traffic. The Common Areas shall be subject to the exclusive control and management of Landlord and to such reasonable rules and regulations as Landlord may, from time to time, adopt and Landlord reserves the right to change the areas, locations and arrangement of parking areas and other Common Areas; to enter into, modify and terminate easements and other agreements pertaining to the maintenance and use of the parking areas and other Common Areas; to close any or all portions of the Common Areas to such extent and for such time as may, in the sole discretion of Landlord's counsel, be legally necessary to prevent a dedication thereof or the accrual of any rights to any person or to the public therein; to close temporarily, if necessary, any part of the Common Areas in order to discourage noncustomer parking; and to make changes, additions, deletions, alterations or improvements in and to such Common Areas, including methods of ingress to and egress from such Common Areas, provided that there shall be no material obstruction of Tenant's right of ingress to or egress from the Premises, nor shall there be any change in the location of the primary entrances to the Building, or in the configuration of the interior Common Areas providing access and ingress and egress to and from the Premises, or in the configuration of the parking areas set aside for Tenant's use as provided in Section 10.3. Landlord shall enforce any rules and regulations adopted in a nondiscriminatory manner.

10.2. Subject to the express provisions and limitations of this Lease, Landlord shall operate, maintain and repair all Common Areas and all major Building components, including structural, mechanical, electrical and heating, ventilating and air conditioning systems, in a manner consistent with the standards of operation, maintenance and repair employed by Tenant during its occupancy under that certain lease agreement captioned "Lease" between Landlord and Tenant, dated June 1, 1995, as amended

10.3. Tenant shall cause it and its employees to park only in the areas of the parking lot as provided and designated from time to time by Landlord for employee parking. Tenant shall have the exclusive right to use those spaces in the southeast parking lot numbered 1, 2, 3, 4, 5, 8, 9, 23, 24, 25, 26, 27, 28, 29, 40, 41, 42 and 43 and the handicapped space marked "Stone" (provided it is used only by a disabled employee) on Exhibit "B-3" for parking of its vehicles and those of its employees. Within ten (10) days after a request by Landlord, Tenant shall deliver to Landlord a list of Tenant's and its employees' automobiles, which such list shall set forth the description of and the license numbers assigned to such automobiles and their state of issue. Thereafter, Tenant shall promptly advise Landlord of any changes, additions or deletions in such list. If any automobile appearing on said list is parked in any area of the Landlord's Parcel other than the area designated by Landlord at any time after Landlord has given notice to Tenant that the same automobile has previously been parked in violation of this provision, then Tenant shall pay to Landlord the sum of Ten Dollars ($10) per day for each such automobile for each day (or part thereof) it is parked in violation of this provision. Tenant shall pay such sum to Landlord within ten (10) days after receipt of notice from Landlord. In addition to the foregoing, Tenant hereby authorizes Landlord in such event to attach violation stickers or notices to any of Tenant's automobiles, or automobiles belonging to Tenant's employees parked in violation of the foregoing covenant and to remove from the Landlord's Parcel at Tenant's cost and expense any such automobiles that are parked in parking spaces designated by Landlord as "Visitor" spaces or for the exclusive use of other tenants of the Building. Tenant hereby waives and releases Landlord and hereby indemnifies and holds Landlord harmless from all claims, liabilities, costs and expenses which may arise therefrom.

ARTICLE XI Mechanic's Lien or Claims

Tenant shall not permit to be created nor to remain undischarged any lien, encumbrance or charge arising out of any work of any contractor, mechanic, laborer or materialman which might be or become a lien or encumbrance or charge upon the Premises or Landlord's Parcel or the income therefrom and Tenant shall not suffer any other matter or thing whereby the estate, right and interest of Landlord in the Premises or in Landlord's Parcel might be impaired. Landlord's Parcel shall be subject to attachment. Tenant shall include in all contracts and subcontracts for work to be performed on Tenant's behalf at the Premises provisions wherein such contractor or subcontractor acknowledges that Landlord has no liability under such contracts and subcontracts and that such contractor or subcontractor waives, to the fullest extent permitted by law, any right it may have to lien or attach Landlord's Parcel. If any lien or notice of lien on account of an alleged debt of Tenant or any notice of contract by a party engaged by Tenant or Tenant's contractor to work in the Premises shall be filed against the Premises or Landlord's Parcel, Tenant shall, within twenty (20) days after notice of the filing thereof, cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Tenant shall fail to cause such lien or notice of lien to be discharged within the period provided, then Landlord, in addition to any other rights or remedies, may, but shall not be obligated to, discharge the same by either paying the amounts claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings; and in any such event, Landlord shall be entitled, if Landlord so elects, to defend any prosecution of an action for foreclosure of such lien by the lienor or to compel the prosecution of an action for foreclosure of such lien by the lienor and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances. Any amount paid by Landlord and all costs and expenses, including attorneys' fees, incurred by Landlord in connection therewith shall be paid by Tenant to Landlord on demand. Nothing in this Lease shall be construed as in any way constituting a consent or request by Landlord, expressed or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific or general improvement, alteration or repair of or to the Premises or to any part thereof.

ARTICLE XII Destruction and Restoration

12.1. If the Premises or the Building shall be damaged to the extent of twenty- five percent (25%) or more of the cost of replacement thereof by any insured casualty, or damaged by any uninsured casualty, Landlord and Tenant each shall have the option to terminate this Lease to be exercised by notice to the other party given not more than three (3) months from the later to occur of the date of such damage or, if an insured loss, the date Landlord receives its final insurance adjustment. If neither party elects to rebuild, Landlord shall, at its expense, proceed to restore the Premises to substantially the state in which it existed prior to the Effective Date, except that Landlord shall not be obligated to restore any component that was demolished or replaced by Tenant. All repairs and restorations of the Premises not so included shall be performed by Tenant in conformance with Article VII and Exhibit "C". The parties shall promptly commence and diligently proceed with their restoration obligations hereunder.

12.2. If the Premises shall be damaged to the extent of less than twenty-five percent (25%) of the cost of replacement by fire or other casualty covered by Landlord's All Risk Property coverage during the Term, except for the last year of this Lease, then Landlord shall, at its expense, proceed to restore the Premises to substantially the state in which it existed prior to the Effective Date, except that Landlord shall not be obligated to restore any component that was demolished or replaced by Tenant. All repairs and restorations of the Premises not so included shall be performed by Tenant in conformance with Article VII and Exhibit "C". The parties shall promptly commence and diligently proceed with their restoration obligations hereunder. If such an event occurs during the last year of this Lease, then Landlord shall have the option to rebuild or terminate this Lease to be exercised by notice to Tenant given not more than thirty (30) days from the later to occur of the date of such damage or the date Landlord receives its final insurance adjustment.

12.3. In the event of total destruction of the Premises, Tenant's rent shall completely abate from the date of such destruction. If Landlord elects to rebuild as aforesaid, Tenant's rent shall completely abate from the date of such destruction until thirty (30) days after the date when Landlord notifies Tenant that Landlord's work in the Premises is complete, or upon the date when Tenant completes its restoration of the Premises, whichever event shall first occur. In the event of a partial destruction or damage whereby Tenant shall be deprived of the occupancy and use of only a portion of the Premises, then Minimum Rent shall be equitably apportioned according to the Floor Area of the Premises which is unusable by Tenant, until such time as the Premises are repaired or restored as provided herein.

12.4. Each party hereto ("Releasing Party") hereby releases the other ("Released Party") from any liability which the Released Party would, but for this Section 12.4, have had to the Releasing Party arising out of or in connection with any accident or occurrence or casualty (a) which is or would be covered by an All Risk Property coverage policy, including Sprinkler Leakage Legal Liability coverage policy, in the state in which the Premises is located regardless of whether or not such coverage is being carried by the Releasing Party, and (b) to the extent of recovery under any other casualty or property damage insurance being carried by the Releasing Party at the time of such accident or occurrence or casualty, which accident or occurrence or casualty may have resulted in whole or in part from any act or neglect of the Released Party, its officers, agents or employees; provided, however, the release hereinabove set forth shall become inoperative and null and void if the Releasing Party contracts for the insurance required to be carried under the terms of this Lease with an insurance company which (a) takes the position that the existence of such release vitiates or would adversely affect any policy so insuring the Releasing Party in a substantial manner and notice thereof is given to the Released Party, or (b) requires the payment of a higher premium by reason of the existence of such release, unless in the latter case the Released Party, within ten (10) days after notice thereof from the Releasing Party, pays such increase in premium.

ARTICLE XIII Property in Premises

13.1. All leasehold improvements done by or on behalf of Tenant, including the items constructed or installed by Tenant (but excluding Tenant's furnishings, fixtures, equipment and other personal property), shall when installed attach to the fee and become and remain the property of Landlord. Such property shall not be removed unless replaced with like property. Tenant shall not seek or pursue so-called "industrial revenue bond" financing with respect to the Premises without the consent of Landlord, which consent shall be given or withheld in Landlord's sole discretion.

13.2. Tenant shall pay before delinquency any and all taxes assessed against Tenant's fixtures, furnishings, leasehold improvements, equipment and stock-in- trade placed in or on the Premises. Any such taxes included in Landlord's tax bills and paid by Landlord shall be due and payable within ten (10) days after billings therefor are rendered to Tenant.

ARTICLE XIV Access to Premises

Tenant shall permit Landlord or Landlord's agents to inspect or examine the Premises at any reasonable time and during the last Lease Year of the Term to show the Premises to prospective tenants. Tenant shall permit Landlord to make such repairs, alterations, improvements or additions in the Premises or to the building of which the Premises is a part, that Landlord may deem desirable or necessary or which Tenant has covenanted herein to do and has failed so to do after notice from Landlord, without the same being construed as an eviction of Tenant in whole or in part and Minimum Rent and all items of additional rent shall in no manner abate while such repairs, alterations, improvements or additions are being made by reason of loss or interruption of the business of Tenant because of the prosecution of such work.

ARTICLE XV Surrender of Premises

15.1. Tenant shall deliver and surrender to Landlord possession of the Premises upon expiration of this Lease, or its earlier termination as herein provided, broom clean, and in good condition and repair, ordinary wear and tear and damage by fire or the elements beyond Tenant's control excepted.

15.2. Tenant shall remove all property of Tenant, repair all damage to the Premises caused by such removal and restore the Premises to the condition in which they were prior to the installation of the articles so removed. Any property not so removed at the expiration of the Term shall be deemed to have been abandoned by Tenant, and may be retained or disposed of by Landlord, as Landlord shall desire.

ARTICLE XVI Utilities

16.1. Landlord shall contract and pay for all utility services rendered or furnished to the Premises, including heat, air-conditioning, water, gas, electricity, fire protection, sewer rental, sewage treatment facilities and the like, together with all taxes levied or other charges on such utilities. Landlord may, with reasonable prior notice to Tenant, or without notice in the case of an emergency, cut off and discontinue gas, water, electricity and any or all other utilities whenever such discontinuance is necessary in order to make repairs or alterations. Landlord shall use commercially reasonable efforts to minimize any discontinuance of service. No such action by Landlord shall be construed as an eviction or disturbance of possession or as an election by Landlord to terminate this Lease, nor shall Landlord be in any way responsible or liable under such action. Notwithstanding the foregoing, if an interruption or suspension of, or fluctuation in, any utility service shall render the Premises untenantable for a period of forty-eight (48) consecutive hours the Minimum Rent hereunder shall be abated until such utility service is resumed.

16.2. Tenant shall cooperate with Landlord's reasonable directives to reduce energy consumption. In the event any governmental authority shall order mandatory energy conservation then Tenant shall comply with such requirements. Tenant's compliance with such requirements shall not entitle Tenant to any abatement of rent or damages for any injury or inconvenience occasioned thereby, nor shall it be construed as an eviction or disturbance of possession.

ARTICLE XVII Assignment and Subletting

17.1. Except as provided below, Tenant shall not assign this Lease nor sublet the Premises in whole or in part without the Landlord's prior written consent. The transfer or transfers aggregating fifty percent (50%) or more of the capital stock of Tenant (if Tenant is a non-public corporation) or the partnership or other ownership interests of Tenant (if Tenant is a partnership, joint venture, limited liability company or proprietorship) shall be deemed an assignment of this Lease within the meaning of this Article. Notwithstanding the provisions of this Article XVII to the contrary, Tenant may (i) assign this Lease or sublet all or any portion of the Premises to any entity in which a majority of the economic interests are owned, directly or indirectly, by any one or more of Simon Property Group, Inc., Simon Property Group, L.P., Melvin Simon & Associates, Inc., Melvin Simon, Herbert Simon or David Simon or any successor by merger to Simon Property Group, Inc. or Simon Property Group, L.P. (collectively or separately being referred to herein as "Tenant's Affiliate"), or (ii) sublet up to fifty percent (50%) of the leasable area within the Premises to one or more proposed sublessees at any time during the Term hereof or any renewal period without Landlord's prior written consent, provide that notwithstanding any such subletting as provided in (ii) above, Tenant shall remain primarily liable for the performance of all of Tenant's obligations under this Lease. Tenant shall in no event be relieved of any liability under the Lease as a result of any such assignment or subletting.

17.2. Other than an assignment or subletting that does not require Landlord's approval pursuant to Section 7.1 hereof, Tenant may assign this Lease or sublet more than fifty percent (50%) of the Premises at any time during the Term hereof (as the same may be extended) only after Landlord's prior written approval, which shall not be reasonably withheld, delayed or conditioned and shall be granted if Tenant notifies Landlord of the proposed assignment or subletting, setting forth in such notification the basic terms and conditions (including any tenant inducements) applicable to such assignment or sublease, and the following conditions are met:

(a) The proposed assignee or sublessee intends to use the Premises only for uses and purposes compatible with those of then existing occupants of the Building; and

(b) Tenant shall in no event be relieved of any liability under the Lease as a result of any such assignment or subletting; provided, however, if Tenant proposes an assignment of all its rights and interest under the Lease and Tenant requests to be relieved of such liability the proposed assignee or any proposed guarantor of all obligations of such proposed assignee shall possess the necessary financial resources (as may be reasonably determined by the Landlord), including without limitation, a net worth of not less than Ten Million Dollars ($10,000,000), to perform all of Tenant's obligations under this Lease, in which event Tenant shall be relieved of liability hereunder accruing from and after the date of such assignment provided assignee deliveries the written instrument described in Section 17.3 below.

17.3. In the event of any such assignment in which Tenant is relieved of liability hereunder, the assignee shall agree, in writing, to assume and be bound by all the terms, covenants and conditions of this Lease accruing from and after the date of such assignment.

17.4. If Tenant notifies Landlord of Tenant's intention to assign this Lease or sublet the Premises at any time during the Term hereof (as the same may be extended) and Landlord's approval is required pursuant to Section 17.2 hereof, Landlord shall have the option to recapture all of the Premises covered by this Lease in the case of an assignment or the portion of the Premises covered by the proposed sublease, in the case of any sublease. Landlord may exercise said option by giving Tenant written notice thereof within twenty (20) days after receipt by Landlord of Tenant's notice of proposed assignment or sublease. In the event Landlord exercises said option, Tenant shall surrender possession of the proposed recaptured space to Landlord on the proposed effective date of the assignment or sublease or such other date as Landlord and Tenant shall mutually agree (the "Proposed Commencement Date") and neither party hereto shall have any further rights or liabilities to the other with respect to the recaptured space accruing or occurring from and after the Proposed Commencement Date. In the event Landlord recaptures less than the entire Premises, effective as of the Proposed Commencement Date, the Minimum Rent (using the applicable amounts for Office Space and/or Storage Space) shall be reduced in the same proportion as the number of square feet of Floor Area contained in the Premises prior to such exclusion, and Landlord and Tenant shall sign a modification agreement of this Lease reflecting such changes. If Landlord exercises its recapture right, it shall be solely responsible for the payment of any tenant inducements (including, without limitation, any leasing commissions) payable with respect to such assignment or sublease.

ARTICLE XVIII Eminent Domain

18.1. In the event the Premises or any part thereof shall be permanently taken or condemned or transferred by agreement in lieu of condemnation for any public or quasi-public use or purpose by any competent authority, whether or not this Lease shall be terminated, the entire compensation award therefor, both leasehold and reversion, shall belong to Landlord without any deduction therefrom for any present or future estate of Tenant and Tenant hereby assigns to Landlord all its right, title and interest to any such award. Tenant shall execute all documents required to evidence such result. Tenant shall, however, be entitled to claim, prove and receive in such condemnation proceedings such award as may be allowed for trade fixtures and other equipment installed by it, but only if or to the extent such award shall be in addition to the award for the land and the building and other improvements (or portions thereof) containing the Premises and only if or to the extent such award does not diminish any award to Landlord.

18.2. If more than twenty-five percent (25%) of the Premises or the Building shall be taken, condemned or transferred as aforesaid, Landlord and Tenant each shall have the option to terminate this Lease to be exercised by notice to the other party given not more than three (3) months from the later to occur of the date of taking, condemnation or transfer. If neither party elects to rebuild, Landlord shall, at its expense, proceed to restore the remainder of the Premises to substantially the state in which it existed prior to the Effective Date, except that Landlord shall not be obligated to restore any component that was demolished or replaced by Tenant. All repairs and restorations of the Premises not so included shall be performed by Tenant in conformance with Article VII and Exhibit "C". The parties shall promptly commence and diligently proceed with their restoration obligations hereunder.

18.3. If less than twenty-five percent (25%) of the Building or the Premises shall be taken, condemned or transferred as aforesaid, except for the last year of this Lease, then Landlord shall, at its expense, proceed to restore the Premises to substantially the state in which it existed prior to the Effective Date, except that Landlord shall not be obligated to restore any component that was demolished or replaced by Tenant. All repairs and restorations of the Premises not so included shall be performed by Tenant in conformance with Article VII and Exhibit "C". The parties shall promptly commence and diligently proceed with their restoration obligations hereunder. If such an event occurs during the last year of this Lease, then Landlord shall have the option to rebuild or terminate this Lease to be exercised by notice to Tenant given not more than three (3) months from the date of such taking, condemnation or transfer.

ARTICLE XIX Default by Tenant

19.1. Tenant expressly agrees as follows:

19.1.1. In the event of any failure of Tenant to pay any installment of Minimum Rent or additional rent or any other payment required to be made by Tenant within ten (10) days after it is due hereunder, or if this Lease or any portion of Tenant's interest hereunder be assigned or the Premises or any portion thereof be sublet, either voluntarily or by operation of law, except as herein provided, or if Tenant defaults in performing any of the other terms, conditions or covenants of this Lease to be observed or performed by Tenant for more than thirty (30) days after notice of such other default shall have been given to Tenant [or if the default is of such nature as cannot be cured within such thirty (30) day period, such additional times (not to exceed ninety (90) days) as shall be reasonably required so long as Tenant commences to cure such default within said thirty (30) day period and diligently and in good faith pursues the same to completion], or if Tenant's interest in this Lease shall be taken under any writ of execution, then, and in any one or more of such events (herein sometimes referred to as an "Event of Default"), Landlord shall have the immediate right to reenter the Premises, either by summary proceedings, by force or otherwise, and to dispossess Tenant and all other occupants therefrom and remove and dispose of all property therein or, at Landlord's election, to store such property in a public warehouse or elsewhere at the cost of, and for the account of, Tenant, all without service of any notice of intention to reenter and with or without resort to legal process and without Landlord being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby. Upon the occurrence of any such Event of Default, Landlord shall also have the right, at its option, in addition to and not in limitation of any other right or remedy, to terminate this Lease by giving Tenant notice of cancellation and upon mailing of said notice, this Lease and the Term shall end and expire as fully and completely as if the date of said notice were the date herein definitely fixed for the end and expiration of this Lease and the Term and thereupon, unless Landlord shall have theretofore elected to reenter the Premises, Landlord shall have the immediate right of reentry, in the manner aforesaid, and Tenant and all other occupants shall quit and surrender the Premises to Landlord, but Tenant shall remain liable as hereinafter provided; provided, however, that if Tenant shall default (i) in the timely payment of any Minimum Rent or any item of additional rent payable hereunder and any such default shall continue or be repeated for two (2) consecutive months, or for a total of four (4) months in any period of twelve (12) months, or (ii) in the performance of any other covenants of this Lease more than six (6) times, in the aggregate, in any period of twelve (12) months, then, notwithstanding that such defaults shall have been cured within the period after notice as above provided, any further similar default shall be deemed to be deliberate and Landlord thereafter may serve said notice of cancellation without affording to Tenant an opportunity to cure such further default.

19.1.2. If by reason of the occurrence of any such Event of Default, the Term shall end before the date therefore originally fixed herein, or Landlord shall reenter the Premises, or Tenant shall be ejected, dispossessed, or removed therefrom by summary proceedings or in any other manner, Landlord at any time thereafter may relet the Premises, or any part or parts thereof, either in the name of Landlord or as agent for Tenant, for a term or terms which, at Landlord's option, may be less than or exceed the period of the remainder of the Term or which otherwise would have constituted the balance of the Term and grant concessions or free rent. Landlord shall receive the rents from such reletting and shall apply the same, first, to the payment of any indebtedness other than Minimum Rent or any item of additional rent due hereunder from Tenant to Landlord; second, to the payment of such third party expenses as Landlord may have incurred in connection with reentering, ejecting, removing, dispossessing, reletting, altering, repairing, redecorating, subdividing, or otherwise preparing the Premises for reletting, including brokerage and attorneys' fees; and the residue, if any, Landlord shall apply to the fulfillment of the terms, conditions and covenants of Tenant hereunder and Tenant hereby waives all claims to the surplus, if any. Tenant shall be liable for and shall pay Landlord any deficiency between the Minimum Rent and all items of additional rent reserved herein and the net avails as aforesaid, of reletting, if any, for each month of the period which otherwise would have constituted the balance of the Term. Tenant shall pay such deficiency on an accelerated basis as provided under Section 19.1.4 below (including the discount provided therein) or, at Landlord's sole option, in monthly installments on the rent days specified in this Lease, and any suit or proceeding brought to collect the deficiency for any month, either during the Term or after any termination thereof, shall not prejudice or preclude in any way the rights of Landlord to collect the deficiency for any subsequent month by a similar suit or proceeding. Landlord shall in no event be liable in any way whatsoever for the failure to relet the Premises or, in the event of such reletting, for failure to collect the rents reserved thereunder. Landlord is hereby authorized and empowered to make such repairs, alterations, decorations, subdivisions or other preparations for the reletting of the Premises as Landlord shall deem fit, advisable and necessary, without in any way releasing Tenant from any liability hereunder, as aforesaid.

19.1.3. No such reentry or taking possession of the Premises by Landlord shall be construed as an election on its part to terminate this Lease unless notice of such intention be given to Tenant or unless the termination thereof shall result as a matter of law or be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach.

19.1.4. In the event this Lease is terminated pursuant to the provisions of 19.1, or terminates pursuant to the provisions of Section 19.2 hereof, Landlord may recover from Tenant all damages it may sustain by reason of Tenant's default, including the third party cost of recovering the Premises and attorneys' fees, and, upon so electing and in lieu of the damages that may be recoverable under subsection (b) above, Landlord shall be entitled to recover from Tenant, as and for Landlord's damages, an amount equal to the difference between the Minimum Rent and all items of additional rents reserved hereunder for the period which otherwise would have constituted the balance of Term and the then present rental value of the Premises for such period, both discounted in accordance with accepted financial practice to the then present worth, at the average rate established and announced for United States Treasury Bills, with a maturity of thirteen (13) weeks at the four (4) weekly auctions held immediately prior to the date of such termination [the four (4) week average bill rate], all of which shall immediately be due and payable by Tenant to Landlord. In determining the rental value of the Premises, the rental realized by any reletting, if such reletting be accomplished by Landlord within a reasonable time after the termination of this Lease, shall be deemed prima facie to be the rental value, but if Landlord shall not undertake to relet or having undertaken to relet, has not accomplished reletting, then it will be conclusively presumed that the Minimum Rent and all items of additional rent reserved under this Lease represent the rental value of the Premises for the purposes hereof (in which event Landlord may recover from Tenant, the full total of all Minimum Rent and all items of additional rent due hereunder, discounted to present value as hereinbefore provided). Landlord shall be obliged, however, to account to Tenant for the Minimum Rent and additional rents received from persons using or occupying the Premises during the period representing that which would have constituted the balance of the Term, but only at the end of said period, and only if Tenant shall have paid to Landlord its damages as provided herein, and only to the extent of sums recovered from Tenant as Landlord's damages, Tenant waiving any claim to any surplus. Nothing herein contained, however, shall limit or prejudice the right of Landlord to prove and obtain as damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved, whether or not such amount be greater, equal to, or less than the amounts referred to in Section 19.1.2 or Section 19.1.4.

19.1.5. In the event Landlord commences any action or proceeding under this Lease, including, but not limited to, actions for recovery of Minimum Rent and items of additional rent and actions for recovery of possession, Tenant shall not interpose any counterclaim of any nature or description in any such action or proceeding (other than a compulsory counterclaim under Ohio Rule of Civil Procedure 13 or any comparable rule of civil procedure). The foregoing, however, shall not be construed as a waiver of Tenant's right to assert such claim in a separate action or proceeding instituted by Tenant.

19.1.6. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws, in the event Tenant shall be evicted or dispossessed from the Premises for any cause, or Landlord reenters the Premises following the occurrence of any Event of Default hereunder, or this Lease is terminated before the expiration date thereof originally fixed herein.

19.1.7. No waiver of any covenant or condition or of the breach of any covenant or condition of this Lease shall be taken to constitute a waiver of any subsequent breach of such covenant or condition nor to justify or authorize the nonobservance on any other occasion of the same or of any other covenant or condition hereof, nor shall the acceptance of Minimum Rent or any item of additional rent by Landlord at any time when Tenant is in default under any covenant or condition hereof, be construed as a waiver of such default or of Landlord's right to terminate this Lease on account of such default, nor shall any waiver or indulgence granted by Landlord to Tenant be taken as an estoppel against Landlord, it being expressly understood that if at any time Tenant shall be in default in any of its covenants or conditions hereunder, an acceptance by Landlord of Minimum Rent or any item of additional rent during the continuance of such default or the failure on the part of Landlord promptly to avail itself of such other rights or remedies as Landlord may have, shall not be construed as a waiver of such default, but Landlord may at any time thereafter, if such default continues, terminate this Lease on account of such default in the manner herein provided.

19.1.8. In the event of any breach or threatened breach by Tenant of any of the terms and provisions of this Lease, Landlord shall have the right to seek injunctive relief as if no other remedies were provided herein for such breach.

19.1.9. The rights and remedies herein reserved by, or granted to, Landlord are distinct, separate and cumulative, and the exercise of any one of them shall not be deemed to preclude, waive or prejudice Landlord's right to exercise any or all others.

19.1.10. If an Event of Default shall occur hereunder prior to the date fixed as the commencement of any renewal or extension of this Lease, whether by a renewal option herein contained or by a separate agreement, Landlord may, prior to the commence of the Renewal Term, cancel such option or agreement for renewal or extension of this Lease, upon two (2) days' notice to Tenant.

19.1.11. Wherever in this Lease Landlord has reserved or is granted the right of "reentry" into the Premises, the use of such word is not intended, nor shall it be construed, to be limited to its technical legal meaning.

19.1.12. In addition to any other remedies Landlord may have at law or in equity or under this Lease, Tenant shall pay upon demand all Landlord's third party costs, charges and expenses, including fees of counsel, agents and others retained by Landlord, incurred in connection with the recovery of sums due under this Lease, or because of the breach of any covenant under this Lease or for any other relief against Tenant.

19.1.13. Any action, suit or proceeding relating to, arising out of or in connection with the terms, conditions and covenants of this Lease may be brought by Landlord against Tenant in the Court of Common Pleas of Mahoning County, Ohio. Tenant hereby waives any objection to jurisdiction or venue in any proceeding before said Court. Nothing contained herein shall affect the right of Landlord to bring any action, suit or proceeding against Tenant in the courts of any other jurisdictions.

19.2. If at any time after the execution of this Lease, an order for relief is entered in any bankruptcy, insolvency or similar proceeding commenced by or against Tenant or any Surety of this Lease, or if Tenant or any Surety of this Lease becomes insolvent or is unable or admits in writing its inability to pay its debts as they become due, or makes an assignment for the benefit of creditors or petitions for or enters into an arrangement with its creditors or a custodian is appointed or takes possession of Tenant's or any such Surety's property, whether or not a judicial proceeding is instituted in connection with such arrangement or in connection with the appointment of such custodian, then Landlord, besides other rights or remedies it may have, shall have the immediate right to terminate this Lease or reenter without terminating this Lease and to dispossess Tenant and all other occupants therefrom and remove and dispose of all property therein or, at Landlord's election, to store such property in a public warehouse or elsewhere at the cost of, and for the account of, Tenant, all without service of any notice of intention to reenter and with or without resort to legal process (which Tenant hereby expressly waives) and without being deemed guilty of trespass, or becoming liable for any loss or damage which may be occasioned thereby. In any such event, Landlord may retain as partial damages, and not as a penalty, any prepaid rents and Landlord shall also be entitled to exercise such rights and remedies to recover from Tenant as damages such amounts as are specified in Section 19.1 hereof, unless any statute or rule of law governing the proceedings in which such damages are to be proved shall lawfully limit the amount of such claims capable of being so proved, in which case Landlord shall be entitled to recover, as and for liquidated damages, the maximum amount which may be allowed under any such statute or rule of law.

ARTICLE XX Default by Landlord

20.1. It shall be a default under and breach of this Lease if Landlord shall fail to perform or observe any term, condition, covenant or obligation required to be performed or observed by it under this Lease for a period of thirty (30) days after notice thereof to Landlord from Tenant, or any period less than thirty (30) days if an emergency exists that poses an immediate threat to life or Tenant's property or would have a material adverse affect on Tenant's operations ("Tenant Emergency"); provided, however, that if the term, condition, covenant or obligation to be performed by Landlord is not a Tenant Emergency and is of such nature that the same cannot reasonably be performed within such thirty (30) day period, such default shall be deemed to have been cured if Landlord commences such performance within said thirty (30) day period and thereafter diligently and continuously pursues and completes the same within ninety (90) days of Tenant's original notice. Upon the occurrence and during the continuance of any such default by Landlord, following Tenant's notice and the applicable cure period, Tenant may effect a cure on behalf of the Landlord and deduct the actual and reasonable costs of such cure from any Minimum Rent thereafter coming due from Tenant under the Lease. Upon request from Landlord, Tenant shall provide Landlord with satisfactory evidence detailing Tenant's actual costs of cure.

20.2. If the holder of record of any mortgage(s) covering all or any portion of Landlord's Parcel shall have given prior notice to Tenant that it is the holder thereof and such notice includes the address at which notices to such mortgagee(s) are to be sent, then Tenant shall give to said holder notice simultaneously with any notice given to Landlord to correct any default of Landlord as hereinabove provided. The holder of record of such mortgage(s) shall have the right, but not the obligation, within thirty (30) days after receipt of said notice, to correct or remedy such default before Tenant may take any action under this Lease by reason of such default; provided, however, that if such default cannot by its nature be cured within said thirty (30) days, then Tenant shall not take any action under this Lease by reason of such default provided the correction or remedy of such default commences within said thirty (30) days and is diligently prosecuted thereafter. Any notice of default given Landlord shall be null and void unless simultaneous notice has been given to said mortgagee(s).

ARTICLE XXI Estoppel Certificate, Attornment and Subordination

21.1. Within ten (10) days after the request by Landlord, Tenant shall deliver to Landlord a written and acknowledged statement in favor of Landlord or any prospective purchaser or mortgagee of Landlord's Parcel or any other part thereof certifying (a) that Tenant is the tenant under this Lease; (b) that Landlord has completed construction of the Premises (or if Landlord has not completed construction of the Premises, then stating the construction items to be completed by Landlord); (c) that all contributions, if any, required by Landlord for improvements to the Premises have been paid in full to Tenant (or if such contributions, if any, have not been paid in full to Tenant, then stating the amount of contribution remaining to be paid to Tenant); (d) that Tenant has accepted possession of and, if true, now occupies the Premises; (e) the date on which the Term commenced, the date on which the Effective Date occurred and the date on which the Term expires; (f) that no defaults exist under this Lease on the part of Tenant, or, to the knowledge of Tenant, on the part of Landlord (or if defaults exist, then specifically stating such defaults); (g) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications); (h) that Tenant's interest under this Lease has not been assigned or encumbered, and the Premises have not been sublet (or if there have been assignments or encumbrances or the Premises have been sublet, then stating such assignments, encumbrances or subleases and providing copies of all documents relevant thereto); (i) the amount of Minimum Rent and all items of additional rent payable under this Lease and the dates to which any Minimum Rent and all items of additional rent payable under this Lease have been paid; (j) that Tenant is not entitled to any credit, offset or deduction against any Minimum Rent and any item of additional rent due under this Lease (or if Tenant is entitled to a credit, offset or deduction, then stating the amount of such credit, offset or deduction and the basis therefor); (k) that Tenant does not have any options or rights to renew or cancel this Lease (or if Tenant shall have options or rights to renew or cancel this Lease, then stating such options or rights); (l) that there are no actions, whether voluntary or otherwise, pending against Tenant under the bankruptcy or insolvency laws of the United States or any state thereof (or if there are actions pending against Tenant under bankruptcy or insolvency laws of the United States or any state thereof, then stating such actions); and (m) such other matters or information as Landlord may reasonably require, it being intended that any such statement delivered pursuant to this Article may be relied upon by Landlord or any prospective purchaser or mortgagee of Landlord's Parcel, any part thereof or any interest therein, direct or indirect.

21.2. Tenant shall, in the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale under any mortgage made by Landlord covering the Premises, attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as Landlord under this Lease, whether this Lease is subordinate to said mortgage or said mortgage is subordinate to this Lease. In such event, the purchaser shall not be liable for any previous act or omission by Landlord under this Lease or bound by any previous prepayments of Minimum Rent or items of additional rent for a period greater than thirty (30) days.

21.3. Tenant shall promptly execute and deliver such instrument that Landlord or the holder of any Superior Lease (as hereinafter defined) or Superior Mortgage (as hereinafter defined) requests to evidence that this Lease and all rights of Tenant hereunder are subject and subordinate in all respects to (a) all present and future ground leases of the Landlord's Parcel, or any portion thereof of which the Premises is a part and all renewals, modifications, replacements, supplements, substitutions and extensions thereof, hereinafter collectively referred to as "Superior Lease" and (b) all mortgages or other methods of financing which may now or hereafter encumber Landlord's interest in the Landlord's Parcel or any portion thereof of which the Premises is a part and all renewals, modifications, replacements, supplements, substitutions and extensions thereof and all advances made or to be made thereunder hereinafter collectively referred to as "Superior Mortgage". The foregoing provisions shall be self-operative and no further instrument of subordination shall be required. However, in confirmation of such subordination. Notwithstanding anything contained in Section 21.3 of the Lease to the contrary, Tenant's obligation to subordinate the Lease and its rights hereunder to the lien and rights of any Superior Mortgage or Superior Lease is subject to such mortgage holder or lessor agreeing, in writing, in form and content reasonably satisfactory to Tenant, not to disturb Tenant and its possession of the Premises so long as there is no uncured Event of Default by Tenant under the Lease. Landlord will obtain, within thirty (30) days after the date hereof, a nondisturbance agreement from the holder of any current Superior Mortgage, and the lessor under any current Superior Lease, the form or forms of which shall be furnished by Tenant and shall be reasonably satisfactory to the holder of any such Superior Mortgage or Superior Lease. Notwithstanding the foregoing provisions, Landlord's lender shall have the right to subordinate or cause to be subordinated the lien of any mortgage or mortgages, or the lien resulting from any other method of financing or refinancing, now or hereafter in force against Landlord's Parcel, or any portion thereof of which the Premises is a part, or against any buildings hereafter placed upon Landlord's Parcel of which the Premises is a part, to this Lease, hereinafter referred to as "Subordinate Mortgage". In such event, this Lease shall not be subordinate to the lien of any other mortgage or mortgages, or the lien resulting from any other method of financing or refinancing so long as said Subordinate Mortgage is a lien.

21.4. This Lease shall not be recorded without the prior consent of Landlord and if Tenant records this Lease without Landlord's consent, then Tenant shall be deemed in default of this Lease. Upon the request of Landlord, Tenant shall execute a short form of this Lease which may be recorded in Landlord's sole discretion.

ARTICLE XXII Holding Over

If Tenant or any party claiming under Tenant shall remain in possession of all or any part of the Premises after the expiration of the Term, no tenancy or interest in the Premises shall result therefrom but such holding over shall be an unlawful detainer and all such parties shall be subject to immediate eviction and removal, and Tenant shall pay upon demand to Landlord during any period which Tenant shall hold the Premises after the Term has expired, as rent for said period, a sum equal to all items of additional rent provided for in this Lease plus an amount computed at the rate of one hundred fifty percent (150%) of the Minimum Rent for such period.

ARTICLE XXIII Quiet Enjoyment

Landlord agrees that if Tenant pays the Minimum Rent and all items of additional rent herein provided and shall perform all of the covenants and agreements herein stipulated to be performed on Tenant's part, Tenant shall, at all times during said term, have the peaceable and quiet enjoyment and possession of the Premises, subject to the terms, conditions and covenants of this Lease and any mortgages or ground leases superior to this Lease, without any manner of hindrance from Landlord or any persons lawfully claiming through Landlord.

ARTICLE XXIV Reimbursement

All terms, covenants and conditions herein contained, to be performed by Tenant, shall be performed at its sole cost and expense. If Landlord shall pay any sum of money or do any act which requires the payment of money, by reason of the failure, neglect or refusal of Tenant to perform such term, covenant or condition, the sum of money so paid by Landlord shall be payable by Tenant to Landlord with the next succeeding installment of rent. If Tenant shall fail to pay Landlord any sums when due under this Lease or if Landlord shall pay any sum of money or do any act which requires the payment of money as aforesaid, such sums shall bear interest from the due date or from the respective dates of Landlord's making of the payment, as the case may be, at the lesser of (a) the interest rate reported publicly by the Wall Street Journal in its "Money Rates" column from time to time as its prime or base rate plus two percent (2%), or (b) the maximum rate permitted by law. All sums payable by Tenant to Landlord under this Lease shall be paid in legal tender of the United States of America without any prior demand or notice therefor and without any deduction or setoff whatsoever and shall be payable at the place designated for the delivery of notices to Landlord at the time of payment unless otherwise designated by Landlord.

ARTICLE XXV Changes and Additions to Landlord's Parcel

25.1. Subject to the express limitations set forth in this Lease (which shall be applicable to all of the rights and limitations set forth in this Article XXV), Landlord shall have the exclusive right to use all or any part of the roof over the Premises and exterior walls of the Premises for any purpose; to erect in connection with the construction thereof, temporary scaffolds and other aids to construction on the exterior of the Premises, provided that access to the Premises shall not be denied; and to install, maintain, use, repair and replace pipes, ducts, conduits and wires leading through the Premises and serving other parts of Landlord's Parcel in locations which will not materially interfere with Tenant's use thereof. In addition to the foregoing, Landlord may make any use it desires of the side and rear walls of the Premises, provided that there shall be no encroachment upon the interior of the Premises. Landlord hereby reserves the right at any time to make alterations or additions to, and to build additional stories on, the building in which the Premises are contained and to build adjoining the same. Landlord also reserves the right to construct other buildings or improvements in Landlord's Parcel from time to time and to make alterations thereof or additions thereto and to build additional stories on such building or buildings and to construct deck or elevated parking facilities in Landlord's Parcel and to change the methods of ingress to and egress from the Building and the Premises and to incorporate additional land into Landlord's Parcel and build thereon.

25.2. In the event Landlord exercises any rights reserved under this Article or granted by any other provisions of this Lease and makes any use of, or alterations, modifications, improvements or additions to, Landlord's Parcel or the Premises, Landlord shall in no way be responsible or liable for any effect on Tenant's business of any nature whatsoever, either during or after such use, alterations, modifications, improvements or additions.

ARTICLE XXVI Notices

Any notice, request, demand, approval, consent or other communication herein required or permitted to be given shall be in writing and may be personally served, telecopied, or sent by nationally-recognized courier service (e.g., Federal Express, Airborne Courier, DHL or U.S. Postal Service Express Mail) or United States mail (registered or certified, with return receipt requested) addressed to the Notice Address, or to the Premises if such communication is to Tenant, or to such other Notice Address as either party shall have designated by notice to the other. Any such notice, request, demand, approval, consent or other communication so sent and addressed shall be deemed to have been given when delivered in person or by courier service, upon sending of a telecopy (as evidenced by electronic confirmation), or three (3) Business Days after deposit in the United States mail (registered or certified, return receipt requested).

ARTICLE XXVII Brokerage

Tenant covenants, warrants and represents to Landlord that there was no broker instrumental in consummating this Lease and that no conversation or prior negotiations were had by Tenant with any broker concerning the renting of the Premises. Tenant shall protect, indemnify, save and hold harmless Landlord against and from all liabilities, claims, losses, costs, damages and expenses, including attorneys' fees, arising out of, resulting from or in connection with a breach of the foregoing covenants, warranties and representations.

ARTICLE XXVIII General Provisions

28.1. "Landlord", so far as covenants or obligations on the part of Landlord are concerned, shall be limited to mean and include only the owner (or tenant of the ground or underlying lease of which this Lease is a sublease) for the time being of Landlord's Parcel. If Landlord's Parcel, or the ground or underlying lease, be sold or transferred, the seller (or assignor of the ground or underlying lease of which this Lease is a sublease) shall be automatically and entirely released of all covenants and obligations under this Lease arising from and after the date of such conveyance or transfer, provided the purchaser of such sale (or the subtenant or assignee of the ground or underlying lease as aforesaid) has assumed and agreed to carry out all covenants and obligations of Landlord hereunder from and after the date thereof, it being intended hereby that the covenants and obligations contained in this Lease to be performed on the part of Landlord shall be binding upon Landlord, its successors and assigns, only during their respective successive periods of ownership. The covenants and undertakings herein made and entered into by Landlord are solely for the purpose of binding Landlord to the extent specifically of Landlord's interest in Landlord's Parcel only, and it is expressly agreed by Landlord and Tenant and by all persons claiming by, through or under Tenant that no personal liability is assumed by or shall at any time arise or be asserted or enforced against Landlord, or against any general or limited partner of Landlord, or any of their respective agents, employees, officers, partners, successors or assigns, on account of this Lease or on account of the covenants herein contained, either express or implied, all such liability, if any, being expressly waived and released by Tenant and by any persons claiming by, through or under Tenant, and that recourse hereunder, if any, by Tenant, its successors or assigns, shall be limited specifically and exclusively to Landlord's interest in Landlord's Parcel.

28.2. Tenant's obligations with respect to (a) the payment of Minimum Rent and all items of additional rent; (b) any provisions of this Lease with respect to indemnities given to Landlord, including, without limitation, the provisions of Section 9.3; and (c) the removal of all property of Tenant and the repair of all damage to the Premises caused by such removal at the expiration or termination of this Lease, shall survive the expiration or termination of this Lease.

28.3. If any term or provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

28.4. Except as herein otherwise expressly provided, the terms and provisions hereof shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and permitted assigns, respectively, of Landlord and Tenant. Each term and each provision of this Lease to be performed by Tenant shall be construed to be both an independent covenant and a condition. The reference contained to successors and assigns of Tenant is not intended to constitute a consent to assignment by Tenant, but has reference only to those instances in which Landlord may have given consent to a particular assignment.

28.5. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between Landlord and Tenant, it being expressly understood and agreed that neither the computation of rent nor any other provisions contained in this Lease nor any act or acts of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.

28.6. The titles of the articles throughout this Lease are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this instrument.

28.7. As used in this indenture of Lease and when required by the context, each number (singular or plural) shall include all numbers, and each gender shall include all genders; and, unless the context otherwise requires, the word "person" shall include "corporation, firm or association".

ARTICLE XXIX Warranty and Authority

Tenant hereby represents and warrants that (a) there are no proceedings pending or so far as Tenant knows threatened before any court or administrative agency that would materially adversely affect the financial condition of Tenant, the ability of Tenant to enter into this Lease or the validity or enforceability of this Lease; (b) there is no provision of any existing mortgage, indenture, contract or agreement binding on Tenant which would conflict with or in any way prevent the execution, delivery or performance of the terms of this Lease; and (c) there has been no material adverse change in the financial condition of Tenant since the date of Tenant's most recently published financial statement and to the knowledge of Tenant, no such material adverse changes are pending or threatened. Tenant acknowledges that Landlord is executing this Lease in reliance upon the foregoing representation and warranty and that such representation and warranty is a material element of the consideration inducing Landlord to enter into and execute this Lease. This Lease has been authorized and approved by all necessary partnership action and by the Board of Directors of the managing general partners of Tenant at a duly held meeting of the Board of Directors (or pursuant to a valid unanimous vote of the Board of Directors) and copies of the applicable partnership actions and the resolutions of such Board of Directors approving this Lease shall be certified and delivered to Landlord within five (5) days after request.

ARTICLE XXX Master Lease Termination Agreement

30.1. The effectiveness of this Lease is expressly conditioned upon the execution and delivery of an agreement between Landlord and Tenant terminating that certain lease dated as of June 1, 1995 under which Landlord hired, leased and let unto Tenant the Building, as the same may have been amended from time to time (the "Master Lease Termination Agreement"). If the Master Lease Termination Agreement has not been executed and delivered as of the Effective Date, this Lease shall have no force or effect.

30.2. Tenant shall comply with all obligations under the Master Lease Termination Agreement and a default thereunder shall be an Event of Default hereunder.

ARTICLE XXXI Complete Agreement

This writing contains the entire agreement between the parties hereto, and no agent, representative, salesman or officer of Landlord hereto has authority to make, or has made, any statement, agreement or representation, either oral or written, in connection herewith, modifying, adding or changing the terms and conditions herein set forth. FURTHER, TENANT ACKNOWLEDGES AND AGREES THAT NEITHER LANDLORD NOR ANY AGENT OR REPRESENTATIVE OF LANDLORD, INCLUDING ANY LEASING AGENT ACTING ON BEHALF OF LANDLORD, HAS MADE, AND TENANT HAS NOT RELIED UPON, ANY REPRESENTATIONS OR ASSURANCES. No modification of this Lease shall be binding unless such modification shall be in writing and signed by the parties hereto. Tenant hereby further recognizes and agrees that the submission of this Lease for examination by Tenant does not constitute an offer or an option to lease the Premises, nor is it intended as a reservation of the Premises for the benefit of Tenant, nor shall this Lease have any force or validity until and unless a copy of it is returned to Tenant duly executed by Landlord.

SIGNATURE PAGES FOLLOW

IN TESTIMONY WHEREOF, Landlord and Tenant have caused this Lease to be signed as of the Effective Date.

Signed in the presence of: LANDLORD

7655 CORPORATION, an Ohio corporation

By

- -------------------------------   ----------------------------------

Name: ------------------------------

Title:

- -------------------------------   ------------------------------

TENANT

SIMON PROPERTY GROUP, L.P.,
a Delaware limited partnership

BY Simon Property Group, Inc.,
a Delaware corporation,
Managing General Partner

By

- -------------------------------   ----------------------------------

Name: ------------------------------

Title:

- -------------------------------   ------------------------------

STATE OF OHIO)
)
COUNTY OF MAHONING)SS.

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, _______________________ and _______________________, known to me to be the __________________ and, _________________________, respectively, of 7655 Corporation, who acknowledged that they did sign and seal the foregoing instrument for, and on behalf of said Corporation, being thereunto duly authorized by its Board of Directors and that the same is their free act and deed as such officers and the free act and deed of said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Youngstown, Ohio, this ________ day of _____________________________, 19_______.

____
Notary Public

STATE OF INDIANA)
)
COUNTY OF MARION)SS.

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, ____, personally known by me or has produced ___________________________________ as identification and has proved to my satisfaction to be the person described in and who executed the foregoing instrument as of _______________________________, who acknowledged that he did sign and seal the foregoing instrument for, and on behalf of said Corporation, in its capacity as General Partner of said Limited Partnership, being thereunto duly authorized by its Board of Directors, and that the same is his free act and deed as such officer and the free act and deed of said Corporation and said Limited Partnership.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at ___________________________, ___________________________, this ________ day of _____________________________, 19_______.

____
Notary Public

EXHIBIT 21.1

List of Subsidiaries of the Registrant

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

Omits names of subsidiaries which as of December 31, 1998 were not, in the aggregate, a "significant subsidiary".

EXHIBIT 23.1

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.

ARTHUR ANDERSEN LLP

Indianapolis, Indiana,
March 26, 1999

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0001022344
SIMON PROPERTY GROUP, L.P.
1,000

12-MOS
DEC-31-1998
DEC-31-1998
124,466
0
231,817
14,476
0
0
11,662,860
709,114
13,112,916
0
7,972,381
0
1,057,245
3,550,306
(19,750)
13,112,916
0
1,400,189
0
753,581
0
6,599
420,280
233,256
233,256
233,256
0
7,146
0
240,402
1.05
1.05

The SPG Operating Partnership does not report using a classified balance sheet.