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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2019

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

Delaware	**001-14469**	**04-6268599**
(Simon Property Group, Inc.)	**(Simon Property Group, Inc.)**	**(Simon Property Group, Inc.)**
Delaware	**001-36110**	**34-1755769**
(Simon Property Group, L.P.)	**(Simon Property Group, L.P.)**	**(Simon Property Group, L.P.)**
(State of incorporation or organization)	(Commission File No.)	(I.R.S. Employer Identification No.)

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

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

Securities registered pursuant to Section 12(b) of the Act:

	Title of each class	Trading Symbols	Name of each exchange on which registered
Simon Property Group, Inc.	Common stock, $0.0001 par value	SPG	New York Stock Exchange
Simon Property Group, Inc.	8$^{3}/_{8}$% Series J Cumulative Redeemable Preferred Stock, $0.0001 par value	SPGJ	New York Stock Exchange
Simon Property Group, L.P.	2.375% Senior Unsecured Notes due 2020	SPG/20	New York Stock Exchange

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.

Simon Property Group, Inc. Yes ☒ No ☐ Simon Property Group, L.P. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Simon Property Group, Inc. Yes ☒ No ☐ Simon Property Group, L.P. Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Simon Property Group, Inc.:

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Emerging growth company ☐

Simon Property Group, L.P.:

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒ Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Simon Property Group, Inc. ☐ Simon Property Group, L.P. ☐

Indicate by check mark whether Registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act).

Simon Property Group, Inc. Yes ☐ No ☒ Simon Property Group, L.P. Yes ☐ No ☒

As of June 30, 2019, Simon Property Group, Inc. had 308,013,543 shares of common stock, par value $0.0001 per share, and 8,000 shares of Class B common stock, par value $0.0001 per share, outstanding. Simon Property Group, L.P. has no common stock outstanding.

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the quarterly period ended June 30, 2019 of Simon Property Group, Inc., a Delaware corporation, and Simon Property Group, L.P., a Delaware limited partnership. Unless stated otherwise or the context otherwise requires, references to “Simon” mean Simon Property Group, Inc. and references to the “Operating Partnership” mean Simon Property Group, L.P. References to “we,” “us” and “our” mean collectively Simon, the Operating Partnership and those entities/subsidiaries owned or controlled by Simon and/or the Operating Partnership.

Simon is a real estate investment trust, or REIT, under the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code. We are structured as an umbrella partnership REIT under which substantially all of our business is conducted through the Operating Partnership, Simon’s majority-owned partnership subsidiary, for which Simon is the general partner. As of June 30, 2019, Simon owned an approximate 86.8% ownership interest in the Operating Partnership, with the remaining 13.2% ownership interest owned by limited partners. As the sole general partner of the Operating Partnership, Simon has exclusive control of the Operating Partnership’s day-to-day management.

We operate Simon and the Operating Partnership as one business. The management of Simon consists of the same members as the management of the Operating Partnership. As general partner with control of the Operating Partnership, Simon consolidates the Operating Partnership for financial reporting purposes, and Simon has no material assets or liabilities other than its investment in the Operating Partnership. Therefore, the assets and liabilities of Simon and the Operating Partnership are the same on their respective financial statements.

We believe that combining the quarterly reports on Form 10-Q of Simon and the Operating Partnership into this single report provides the following benefits:

- enhances investors’ understanding of Simon and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminates duplicative disclosure and provides a more streamlined presentation since substantially all of the disclosure in this report applies to both Simon and the Operating Partnership; and
- creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

We believe it is important for investors to understand the few differences between Simon and the Operating Partnership in the context of how we operate as a consolidated company. The primary difference is that Simon itself does not conduct business, other than acting as the general partner of the Operating Partnership and issuing equity or equity-related instruments from time to time. In addition, Simon itself does not incur any indebtedness, as all debt is incurred by the Operating Partnership or entities/subsidiaries owned or controlled by the Operating Partnership.

The Operating Partnership holds, directly or indirectly, substantially all of our assets, including our ownership interests in our joint ventures. The Operating Partnership conducts substantially all of our business and is structured as a partnership with no publicly traded equity. Except for the net proceeds from equity issuances by Simon, which are contributed to the capital of the Operating Partnership in exchange for, in the case of common stock issuances by Simon, common units of partnership interest in the Operating Partnership, or units, or, in the case of preferred stock issuances by Simon, preferred units of partnership interest in the Operating Partnership, or preferred units, the Operating Partnership, directly or indirectly, generates the capital required by our business through its operations, the incurrence of indebtedness, proceeds received from the disposition of certain properties and joint ventures and the issuance of units or preferred units to third parties.

The presentation of stockholders’ equity, partners’ equity and noncontrolling interests are the main areas of difference between the consolidated financial statements of Simon and those of the Operating Partnership. The differences between stockholders’ equity and partners’ equity result from differences in the equity issued at the Simon and Operating Partnership levels. The units held by limited partners in the Operating Partnership are accounted for as partners’ equity in the Operating Partnership’s financial statements and as noncontrolling interests in Simon’s financial statements. The noncontrolling interests in the Operating Partnership’s financial statements include the interests of unaffiliated partners in various consolidated partnerships. The noncontrolling interests in Simon’s financial statements include the same noncontrolling interests at the Operating Partnership level and, as previously stated, the units held by limited partners of the Operating Partnership. Although classified differently, total equity of Simon and the Operating Partnership is the same.

To help investors understand the differences between Simon and the Operating Partnership, this report provides:

- separate consolidated financial statements for Simon and the Operating Partnership;
- a single set of condensed notes to such consolidated financial statements that includes separate discussions of noncontrolling interests and stockholders’ equity or partners’ equity, accumulated other comprehensive income (loss) and per share and per unit data, as applicable;

- a combined Management's Discussion and Analysis of Financial Condition and Results of Operations section that also includes discrete information related to each entity; and
- separate Part II, Item 2. Unregistered Sales of Equity Securities and Use of Proceeds sections related to each entity.

This report also includes separate Part I, Item 4. Controls and Procedures sections and separate Exhibits 31 and 32 certifications for each of Simon and the Operating Partnership in order to establish that the requisite certifications have been made and that Simon and the Operating Partnership are each compliant with Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 and 18 U.S.C. §1350. The separate discussions of Simon and the Operating Partnership in this report should be read in conjunction with each other to understand our results on a consolidated basis and how management operates our business.

In order to highlight the differences between Simon and the Operating Partnership, the separate sections in this report for Simon and the Operating Partnership specifically refer to Simon and the Operating Partnership. In the sections that combine disclosure of Simon and the Operating Partnership, this report refers to actions or holdings of Simon and the Operating Partnership as being "our" actions or holdings. Although the Operating Partnership is generally the entity that directly or indirectly enters into contracts and joint ventures, holds assets and incurs debt, we believe that references to "we," "us" or "our" in this context is appropriate because the business is one enterprise and we operate substantially all of our business through the Operating Partnership.

Simon Property Group, Inc.
Simon Property Group, L.P.
Form 10-Q

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Simon Property Group, Inc.
Unaudited Consolidated Balance Sheets
(Dollars in thousands, except share amounts)

	June 30, 2019	December 31, 2018
ASSETS:		
Investment properties, at cost	**$ 37,458,909**	$ 37,092,670
Less - accumulated depreciation	**13,444,275**	12,884,539
	24,014,634	24,208,131
Cash and cash equivalents	**479,776**	514,335
Tenant receivables and accrued revenue, net	**736,362**	763,815
Investment in unconsolidated entities, at equity	**2,141,745**	2,220,414
Investment in Klépierre, at equity	**1,718,402**	1,769,488
Deferred costs and other assets	**1,641,996**	1,210,040
Total assets	**$ 30,732,915**	$ 30,686,223
LIABILITIES:		
Mortgages and unsecured indebtedness	**$ 23,324,679**	$ 23,305,535
Accounts payable, accrued expenses, intangibles, and deferred revenues	**1,227,799**	1,316,861
Cash distributions and losses in unconsolidated entities, at equity	**1,567,474**	1,536,111
Other liabilities	**1,017,966**	500,597
Total liabilities	**27,137,918**	26,659,104
Commitments and contingencies		
Limited partners' preferred interest in the Operating Partnership and noncontrolling redeemable interests in properties	**231,325**	230,163
EQUITY:		
Stockholders' Equity		
Capital stock (850,000,000 total shares authorized, $0.0001 par value, 238,000,000 shares of excess common stock, 100,000,000 authorized shares of preferred stock):		
Series J 8 3/8% cumulative redeemable preferred stock, 1,000,000 shares authorized, 796,948 issued and outstanding with a liquidation value of $39,847	**42,584**	42,748
Common stock, $0.0001 par value, 511,990,000 shares authorized, 320,435,256 and 320,411,571 issued and outstanding, respectively	**32**	32
Class B common stock, $0.0001 par value, 10,000 shares authorized, 8,000 issued and outstanding	**—**	—
Capital in excess of par value	**9,723,378**	9,700,418
Accumulated deficit	**(5,122,281)**	(4,893,069)
Accumulated other comprehensive loss	**(128,743)**	(126,017)
Common stock held in treasury, at cost, 12,421,713 and 11,402,103 shares, respectively	**(1,595,305)**	(1,427,431)
Total stockholders' equity	**2,919,665**	3,296,681
Noncontrolling interests	**444,007**	500,275
Total equity	**3,363,672**	3,796,956
Total liabilities and equity	**$ 30,732,915**	$ 30,686,223

The accompanying notes are an integral part of these statements.

Simon Property Group, Inc.

Unaudited Consolidated Statements of Operations and Comprehensive Income

(Dollars in thousands, except per share amounts)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
REVENUE:				
Lease income	**$ 1,298,567**	$ 1,258,698	**$ 2,578,623**	$ 2,526,590
Management fees and other revenues	**28,248**	28,541	**55,792**	56,722
Other income	**70,371**	97,820	**215,604**	195,929
Total revenue	**1,397,186**	1,385,059	**2,850,019**	2,779,241
EXPENSES:				
Property operating	**106,119**	102,951	**217,669**	216,400
Depreciation and amortization	**352,606**	320,198	**681,249**	637,134
Real estate taxes	**115,914**	111,449	**231,372**	225,635
Repairs and maintenance	**21,850**	22,191	**49,772**	49,875
Advertising and promotion	**35,420**	36,491	**72,545**	71,291
Home and regional office costs	**46,467**	32,316	**99,027**	73,380
General and administrative	**10,359**	10,913	**19,496**	23,542
Other	**27,820**	20,567	**53,236**	49,041
Total operating expenses	**716,555**	657,076	**1,424,366**	1,346,298
OPERATING INCOME BEFORE OTHER ITEMS	**680,631**	727,983	**1,425,653**	1,432,943
Interest expense	**(198,425)**	(206,624)	**(397,160)**	(412,115)
Income and other taxes	**(7,010)**	(10,137)	**(17,112)**	(16,357)
Income from unconsolidated entities	**106,542**	100,828	**196,986**	190,854
Unrealized (losses) gains in fair value of equity instruments	**(12,317)**	9,692	**(7,000)**	6,664
Gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	**2,681**	9,672	**2,681**	144,949
CONSOLIDATED NET INCOME	**572,102**	631,414	**1,204,048**	1,346,938
Net income attributable to noncontrolling interests	**75,944**	83,576	**158,580**	177,611
Preferred dividends	**834**	834	**1,669**	1,669
NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	**$ 495,324**	$ 547,004	**$ 1,043,799**	$ 1,167,658
BASIC AND DILUTED EARNINGS PER COMMON SHARE:				
Net income attributable to common stockholders	**$ 1.60**	$ 1.77	**$ 3.38**	$ 3.77
Consolidated Net Income	**$ 572,102**	$ 631,414	**$ 1,204,048**	$ 1,346,938
Unrealized (loss) gain on derivative hedge agreements	**(7,022)**	21,260	**2,320**	15,113
Net loss reclassified from accumulated other comprehensive loss into earnings	**1,086**	2,185	**2,174**	4,339
Currency translation adjustments	**(3,623)**	(38,126)	**(8,368)**	(25,034)
Changes in available-for-sale securities and other	**539**	222	**683**	(66)
Comprehensive income	**563,082**	616,955	**1,200,857**	1,341,290
Comprehensive income attributable to noncontrolling interests	**74,704**	81,654	**158,116**	176,794
Comprehensive income attributable to common stockholders	**$ 488,378**	$ 535,301	**$ 1,042,741**	$ 1,164,496

The accompanying notes are an integral part of these statements.

Simon Property Group, Inc.
Unaudited Consolidated Statements of Cash Flows
(Dollars in thousands)

	For the Six Months Ended June 30, 2019	For the Six Months Ended June 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated Net Income	**$ 1,204,048**	$ 1,346,938
Adjustments to reconcile consolidated net income to net cash provided by operating activities		
Depreciation and amortization	**711,748**	674,067
Gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	**(2,681)**	(144,949)
Unrealized losses (gains) in fair value of equity instruments	**7,000**	(6,664)
Gain on interest in unconsolidated entity (Note 6)	**—**	(35,621)
Straight-line lease income	**(32,359)**	(10,564)
Equity in income of unconsolidated entities	**(196,986)**	(190,854)
Distributions of income from unconsolidated entities	**222,565**	192,649
Changes in assets and liabilities		
Tenant receivables and accrued revenue, net	**47,967**	59,737
Deferred costs and other assets	**33,805**	(28,007)
Accounts payable, accrued expenses, intangibles, deferred revenues and other liabilities	**(107,540)**	(19,950)
Net cash provided by operating activities	**1,887,567**	1,836,782
CASH FLOWS FROM INVESTING ACTIVITIES:		
Funding of loans to related parties	**—**	(4,641)
Capital expenditures, net	**(403,346)**	(334,674)
Investments in unconsolidated entities	**(23,949)**	(29,296)
Purchase of marketable and non-marketable securities	**(20,850)**	(9,258)
Insurance proceeds for property restoration	**2,938**	—
Distributions of capital from unconsolidated entities and other	**143,482**	359,083
Net cash used in investing activities	**(301,725)**	(18,786)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sales of common stock and other, net of transaction costs	**(164)**	(165)
Purchase of shares related to stock grant recipients' tax withholdings	**(2,955)**	(2,911)
Redemption of limited partner units	**(135)**	(7,619)
Purchase of treasury stock	**(181,258)**	(307,296)
Distributions to noncontrolling interest holders in properties	**(3,839)**	(10,067)
Contributions from noncontrolling interest holders in properties	**70**	116
Preferred distributions of the Operating Partnership	**(957)**	(958)
Distributions to stockholders and preferred dividends	**(1,267,908)**	(1,210,168)
Distributions to limited partners	**(191,987)**	(182,949)
Proceeds from issuance of debt, net of transaction costs	**5,022,602**	3,720,806
Repayments of debt	**(4,993,870)**	(4,584,847)
Net cash used in financing activities	**(1,620,401)**	(2,586,058)
DECREASE IN CASH AND CASH EQUIVALENTS	**(34,559)**	(768,062)
CASH AND CASH EQUIVALENTS, beginning of period	**514,335**	1,482,309
CASH AND CASH EQUIVALENTS, end of period	**$ 479,776**	$ 714,247

The accompanying notes are an integral part of these statements.

Simon Property Group, Inc.
Unaudited Consolidated Statements of Equity
(Dollars in thousands)

	Preferred Stock	Common Stock	Accumulated Other Comprehensive Income (Loss)	Capital in Excess of Par Value	Accumulated Deficit	Common Stock Held in Treasury	Noncontrolling interests	Total Equity
January 1, 2019	**$ 42,748**	**$ 32**	**$ (126,017)**	**$9,700,418**	**$ (4,893,069)**	**$(1,427,431)**	**$ 500,275**	**$3,796,956**
Exchange of limited partner units (24,000 common shares, note 8)				253			(253)	—
Series J preferred stock premium amortization	(82)							(82)
Redemption of limited partner units (774 units)				(127)			(8)	(135)
Amortization of stock incentive				1,309				1,309
Treasury stock purchase (46,377 shares)						(7,628)		(7,628)
Long-term incentive performance units							3,701	3,701
Issuance of unit equivalents and other (1,483 common shares repurchased)				1	(1,507)	(250)	(2)	(1,758)
Adjustment to limited partners' interest from change in ownership in the Operating Partnership				4,167			(4,167)	—
Distributions to common stockholders and limited partners, excluding Operating Partnership preferred interests					(634,222)		(96,010)	(730,232)
Distributions to other noncontrolling interest partners							(552)	(552)
Other comprehensive income			5,055				775	5,830
Net income, excluding $479 attributable to preferred interests in the Operating Partnership and a $1,065 loss attributable to noncontrolling redeemable interests in properties					549,309		83,224	632,533
March 31, 2019	**$ 42,666**	**$ 32**	**$ (120,962)**	**$9,706,021**	**$ (4,979,489)**	**$(1,435,309)**	**$ 486,983**	**$3,699,942**
Series J preferred stock premium amortization	(82)							(82)
Stock incentive program (89,368 common shares, net)				(16,340)		16,340		—
Amortization of stock incentive				5,098				5,098
Treasury stock purchase (1,046,580 shares)						(173,630)		(173,630)
Long-term incentive performance units							7,721	7,721
Issuance of unit equivalents and other (14,853 common shares repurchased)				11	(5,265)	(2,706)	70	(7,890)
Adjustment to limited partners' interest from change in ownership in the Operating Partnership				28,588			(28,588)	—
Distributions to common stockholders and limited partners, excluding Operating Partnership preferred interests					(633,686)		(95,977)	(729,663)
Distributions to other noncontrolling interest partners							(455)	(455)
Other comprehensive income			(7,781)				(1,239)	(9,020)
Net income, excluding $478 attributable to preferred interests in the Operating Partnership and a $28 loss attributable to noncontrolling redeemable interests in properties					496,159		75,492	571,651
June 30, 2019	**$ 42,584**	**$ 32**	**$ (128,743)**	**$9,723,378**	**$ (5,122,281)**	**$(1,595,305)**	**$ 444,007**	**$3,363,672**

The accompanying notes are an integral part of these statements.

Simon Property Group, Inc.

Unaudited Consolidated Statements of Equity

(Dollars in thousands)

	Preferred Stock	Common Stock	Accumulated Other Comprehensive Income (Loss)	Capital in Excess of Par Value	Accumulated Deficit	Common Stock Held in Treasury	Noncontrolling interests	Total Equity
January 1, 2018	**$ 43,077**	**$ 32**	**$ (110,453)**	**$9,614,748**	**$ (4,782,173)**	**$(1,079,063)**	**$ 552,596**	**$4,238,764**
Exchange of limited partner units (6,000 common shares, note 8)				70			(70)	—
Series J preferred stock premium amortization	(83)							(83)
Stock incentive program (236 common shares, net)				(37)		37		—
Redemption of limited partner units (40,503 units)				(5,793)			(474)	(6,267)
Amortization of stock incentive				2,060				2,060
Treasury stock purchase (1,473,588 shares)						(227,901)		(227,901)
Long-term incentive performance units							8,307	8,307
Cumulative effect of accounting change					7,264			7,264
Issuance of unit equivalents and other (1,608 common shares repurchased)				3	(14,935)	(276)	24	(15,184)
Adjustment to limited partners' interest from change in ownership in the Operating Partnership				36,221			(36,221)	—
Distributions to common stockholders and limited partners, excluding Operating Partnership preferred interests					(606,086)		(91,523)	(697,609)
Distributions to other noncontrolling interest partners							(489)	(489)
Other comprehensive income			7,706				1,104	8,810
Net income, excluding $479 attributable to preferred interests in the Operating Partnership and a $619 loss attributable to noncontrolling redeemable interests in properties					621,488		94,176	715,664
March 31, 2018	**$ 42,994**	**$ 32**	**$ (102,747)**	**$9,647,272**	**$ (4,774,442)**	**$(1,307,203)**	**$ 527,430**	**$4,033,336**
Series J preferred stock premium amortization	(82)							(82)
Stock incentive program (51,520 common shares, net)				(8,614)		8,614		—
Redemption of limited partner units (8,716 units)				(1,254)			(98)	(1,352)
Amortization of stock incentive				3,912				3,912
Treasury stock purchase (514,659 shares)						(79,395)		(79,395)
Long-term incentive performance units							7,462	7,462
Issuance of unit equivalents and other (17,072 common shares repurchased)				(2)	(3,141)	(2,635)	90	(5,688)
Adjustment to limited partners' interest from change in ownership in the Operating Partnership				16,496			(16,496)	—
Distributions to common stockholders and limited partners, excluding Operating Partnership preferred interests					(604,082)		(91,426)	(695,508)
Distributions to other noncontrolling interest partners							(475)	(475)
Other comprehensive income			(12,538)				(1,920)	(14,458)
Net income, excluding $478 attributable to preferred interests in the Operating Partnership and $60 attributable to noncontrolling redeemable interests in properties					547,839		83,037	630,876
June 30, 2018	**$ 42,912**	**$ 32**	**$ (115,285)**	**$9,657,810**	**$ (4,833,826)**	**$(1,380,619)**	**$ 507,604**	**$3,878,628**

The accompanying notes are an integral part of these statements.

Simon Property Group, L.P.
Unaudited Consolidated Balance Sheets
(Dollars in thousands, except unit amounts)

	June 30, 2019	December 31, 2018
ASSETS:		
Investment properties, at cost	**$ 37,458,909**	$ 37,092,670
Less — accumulated depreciation	**13,444,275**	12,884,539
	24,014,634	24,208,131
Cash and cash equivalents	**479,776**	514,335
Tenant receivables and accrued revenue, net	**736,362**	763,815
Investment in unconsolidated entities, at equity	**2,141,745**	2,220,414
Investment in Klépierre, at equity	**1,718,402**	1,769,488
Deferred costs and other assets	**1,641,996**	1,210,040
Total assets	**$ 30,732,915**	$ 30,686,223
LIABILITIES:		
Mortgages and unsecured indebtedness	**$ 23,324,679**	$ 23,305,535
Accounts payable, accrued expenses, intangibles, and deferred revenues	**1,227,799**	1,316,861
Cash distributions and losses in unconsolidated entities, at equity	**1,567,474**	1,536,111
Other liabilities	**1,017,966**	500,597
Total liabilities	**27,137,918**	26,659,104
Commitments and contingencies		
Preferred units, various series, at liquidation value, and noncontrolling redeemable interests in properties	**231,325**	230,163
EQUITY:		
Partners' Equity		
Preferred units, 796,948 units outstanding. Liquidation value of $39,847	**42,584**	42,748
General Partner, 308,021,543 and 309,017,468 units outstanding, respectively	**2,877,081**	3,253,933
Limited Partners, 46,782,598 and 46,807,372 units outstanding, respectively	**436,973**	492,877
Total partners' equity	**3,356,638**	3,789,558
Nonredeemable noncontrolling interests in properties, net	**7,034**	7,398
Total equity	**3,363,672**	3,796,956
Total liabilities and equity	**$ 30,732,915**	$ 30,686,223

The accompanying notes are an integral part of these statements.

Simon Property Group, L.P.

Unaudited Consolidated Statements of Operations and Comprehensive Income

(Dollars in thousands, except per unit amounts)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
REVENUE:				
Lease income	**$ 1,298,567**	$ 1,258,698	**$ 2,578,623**	$ 2,526,590
Management fees and other revenues	**28,248**	28,541	**55,792**	56,722
Other income	**70,371**	97,820	**215,604**	195,929
Total revenue	**1,397,186**	1,385,059	**2,850,019**	2,779,241
EXPENSES:				
Property operating	**106,119**	102,951	**217,669**	216,400
Depreciation and amortization	**352,606**	320,198	**681,249**	637,134
Real estate taxes	**115,914**	111,449	**231,372**	225,635
Repairs and maintenance	**21,850**	22,191	**49,772**	49,875
Advertising and promotion	**35,420**	36,491	**72,545**	71,291
Home and regional office costs	**46,467**	32,316	**99,027**	73,380
General and administrative	**10,359**	10,913	**19,496**	23,542
Other	**27,820**	20,567	**53,236**	49,041
Total operating expenses	**716,555**	657,076	**1,424,366**	1,346,298
OPERATING INCOME BEFORE OTHER ITEMS	**680,631**	727,983	**1,425,653**	1,432,943
Interest expense	**(198,425)**	(206,624)	**(397,160)**	(412,115)
Income and other taxes	**(7,010)**	(10,137)	**(17,112)**	(16,357)
Income from unconsolidated entities	**106,542**	100,828	**196,986**	190,854
Unrealized (losses) gains in fair value of equity instruments	**(12,317)**	9,692	**(7,000)**	6,664
Gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	**2,681**	9,672	**2,681**	144,949
CONSOLIDATED NET INCOME	**572,102**	631,414	**1,204,048**	1,346,938
Net income (loss) attributable to noncontrolling interests	**400**	279	**(518)**	186
Preferred unit requirements	**1,313**	1,313	**2,626**	2,626
NET INCOME ATTRIBUTABLE TO UNITHOLDERS	**$ 570,389**	$ 629,822	**$ 1,201,940**	$ 1,344,126
NET INCOME ATTRIBUTABLE TO UNITHOLDERS ATTRIBUTABLE TO:				
General Partner	**$ 495,324**	547,004	**$ 1,043,799**	$ 1,167,658
Limited Partners	**75,065**	82,818	**158,141**	176,468
Net income attributable to unitholders	**$ 570,389**	$ 629,822	**$ 1,201,940**	$ 1,344,126
BASIC AND DILUTED EARNINGS PER UNIT:				
Net income attributable to unitholders	**$ 1.60**	$ 1.77	**$ 3.38**	$ 3.77
Consolidated Net Income	**$ 572,102**	$ 631,414	**$ 1,204,048**	$ 1,346,938
Unrealized (loss) gain on derivative hedge agreements	**(7,022)**	21,260	**2,320**	15,113
Net loss reclassified from accumulated other comprehensive loss into earnings	**1,086**	2,185	**2,174**	4,339
Currency translation adjustments	**(3,623)**	(38,126)	**(8,368)**	(25,034)
Changes in available-for-sale securities and other	**539**	222	**683**	(66)
Comprehensive income	**563,082**	616,955	**1,200,857**	1,341,290
Comprehensive income attributable to noncontrolling interests	**427**	218	**575**	745
Comprehensive income attributable to unitholders	**$ 562,655**	$ 616,737	**$ 1,200,282**	$ 1,340,545

The accompanying notes are an integral part of these statements.

Simon Property Group, L.P.

Unaudited Consolidated Statements of Cash Flows

(Dollars in thousands)

	For the Six Months Ended June 30, 2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated Net Income	**$ 1,204,048**	$ 1,346,938
Adjustments to reconcile consolidated net income to net cash provided by operating activities		
Depreciation and amortization	**711,748**	674,067
Gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	**(2,681)**	(144,949)
Unrealized losses (gains) in fair value of equity instruments	**7,000**	(6,664)
Gain on interest in unconsolidated entity (Note 6)	**—**	(35,621)
Straight-line lease income	**(32,359)**	(10,564)
Equity in income of unconsolidated entities	**(196,986)**	(190,854)
Distributions of income from unconsolidated entities	**222,565**	192,649
Changes in assets and liabilities		
Tenant receivables and accrued revenue, net	**47,967**	59,737
Deferred costs and other assets	**33,805**	(28,007)
Accounts payable, accrued expenses, intangibles, deferred revenues and other liabilities	**(107,540)**	(19,950)
Net cash provided by operating activities	**1,887,567**	1,836,782
CASH FLOWS FROM INVESTING ACTIVITIES:		
Funding of loans to related parties	**—**	(4,641)
Capital expenditures, net	**(403,346)**	(334,674)
Investments in unconsolidated entities	**(23,949)**	(29,296)
Purchase of marketable and non-marketable securities	**(20,850)**	(9,258)
Insurance proceeds for property restoration	**2,938**	—
Distributions of capital from unconsolidated entities and other	**143,482**	359,083
Net cash used in investing activities	**(301,725)**	(18,786)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of units and other	**(164)**	(165)
Purchase of units related to stock grant recipients' tax withholdings	**(2,955)**	(2,911)
Redemption of limited partner units	**(135)**	(7,619)
Purchase of general partner units	**(181,258)**	(307,296)
Distributions to noncontrolling interest holders in properties	**(3,839)**	(10,067)
Contributions from noncontrolling interest holders in properties	**70**	116
Partnership distributions	**(1,460,852)**	(1,394,075)
Mortgage and unsecured indebtedness proceeds, net of transaction costs	**5,022,602**	3,720,806
Mortgage and unsecured indebtedness principal payments	**(4,993,870)**	(4,584,847)
Net cash used in financing activities	**(1,620,401)**	(2,586,058)
DECREASE IN CASH AND CASH EQUIVALENTS	**(34,559)**	(768,062)
CASH AND CASH EQUIVALENTS, beginning of period	**514,335**	1,482,309
CASH AND CASH EQUIVALENTS, end of period	**$ 479,776**	$ 714,247

The accompanying notes are an integral part of these statements.

Simon Property Group, L.P.

Unaudited Consolidated Statements of Equity

(Dollars in thousands)

	Preferred Units	Simon (Managing General Partner)	Limited Partners	Noncontrolling interests	Total Equity
January 1, 2019	**$ 42,748**	**$ 3,253,933**	**$ 492,877**	**$ 7,398**	**$ 3,796,956**
Series J preferred stock premium and amortization	(82)				(82)
Limited partner units exchanged to common units (24,000 units)		253	(253)		—
Amortization of stock incentive		1,309			1,309
Redemption of limited partner units (774 units)		(127)	(8)		(135)
Treasury unit purchase (46,377 units)		(7,628)			(7,628)
Long-term incentive performance units			3,701		3,701
Issuance of unit equivalents and other (1,483 common units)		(1,756)	(2)		(1,758)
Adjustment to limited partners' interest from change in ownership in the Operating Partnership		4,167	(4,167)		—
Distributions to limited partners, excluding preferred interests classified as temporary equity	(834)	(633,388)	(96,010)	(552)	(730,784)
Other comprehensive income		5,055	775		5,830
Net income, excluding preferred distributions on temporary equity preferred units of $479 and a $1,065 loss attributable to noncontrolling redeemable interests in properties	834	548,475	83,076	148	632,533
March 31, 2019	**$ 42,666**	**$ 3,170,293**	**$ 479,989**	**$ 6,994**	**$ 3,699,942**
Series J preferred stock premium and amortization	(82)				(82)
Stock incentive program (89,368 common units, net)		—			—
Amortization of stock incentive		5,098			5,098
Treasury stock purchase (1,046,580 units)		(173,630)			(173,630)
Long-term incentive performance units			7,721		7,721
Issuance of unit equivalents and other (14,853 units)		(7,960)	1	69	(7,890)
Adjustment to limited partners' interest from change in ownership in the Operating Partnership		28,588	(28,588)		—
Distributions to limited partners, excluding preferred interests classified as temporary equity	(835)	(632,851)	(95,977)	(455)	(730,118)
Other comprehensive income		(7,781)	(1,239)		(9,020)
Net income, excluding preferred distributions on temporary equity preferred units of $478 and a $28 loss attributable to noncontrolling redeemable interests in properties	835	495,324	75,066	426	571,651
June 30, 2019	**$ 42,584**	**$ 2,877,081**	**$ 436,973**	**$ 7,034**	**$ 3,363,672**

The accompanying notes are an integral part of these statements.

Simon Property Group, L.P.
Unaudited Consolidated Statements of Equity
(Dollars in thousands)

	Preferred Units	Simon (Managing General Partner)	Limited Partners	Noncontrolling interests	Total Equity
January 1, 2018	**$ 43,077**	**$ 3,643,091**	**$ 548,858**	**$ 3,738**	**$ 4,238,764**
Series J preferred stock premium and amortization	(83)				(83)
Limited partner units exchanged to common units (6,000 units)		70	(70)		—
Stock incentive program (236 common units, net)		—			—
Amortization of stock incentive		2,060			2,060
Redemption of limited partner units (40,503 units)		(5,793)	(474)		(6,267)
Treasury unit purchase (1,473,588 units)		(227,901)			(227,901)
Long-term incentive performance units			8,307		8,307
Cumulative effect of accounting change		7,264			7,264
Issuance of unit equivalents and other (1,608 common units)		(15,208)		24	(15,184)
Adjustment to limited partners' interest from change in ownership in the Operating Partnership		36,221	(36,221)		—
Distributions to limited partners, excluding preferred interests classified as temporary equity	(834)	(605,252)	(91,523)	(489)	(698,098)
Other comprehensive income		7,706	1,104		8,810
Net income, excluding preferred distributions on temporary equity preferred units of $479 and a $619 loss attributable to noncontrolling redeemable interests in properties	834	620,654	93,649	527	715,664
March 31, 2018	**$ 42,994**	**$ 3,462,912**	**$ 523,630**	**$ 3,800**	**$ 4,033,336**
Series J preferred stock premium and amortization	(82)				(82)
Stock incentive program (51,520 common units, net)		—			—
Amortization of stock incentive		3,912			3,912
Redemption of limited partner units (8,716 units)		(1,254)	(98)		(1,352)
Treasury unit purchase (514,659 units)		(79,395)			(79,395)
Long-term incentive performance units			7,462		7,462
Issuance of unit equivalents and other (17,072 common units)		(5,778)	1	89	(5,688)
Adjustment to limited partners' interest from change in ownership in the Operating Partnership		16,496	(16,496)		—
Distributions to limited partners, excluding preferred interests classified as temporary equity	(835)	(603,247)	(91,426)	(475)	(695,983)
Other comprehensive income		(12,538)	(1,920)		(14,458)
Net income, excluding preferred distributions on temporary equity preferred units of $478 and $60 attributable to noncontrolling redeemable interests in properties	835	547,004	82,819	218	630,876
June 30, 2018	**$ 42,912**	**$ 3,328,112**	**$ 503,972**	**$ 3,632**	**$ 3,878,628**

The accompanying notes are an integral part of these statements.

Simon Property Group, Inc.
Simon Property Group, L.P.
Condensed Notes to Consolidated Financial Statements
(Unaudited)
(Dollars in thousands, except share, per share, unit and per unit amounts and where indicated in millions or billions)

1. Organization

Simon Property Group, Inc. is a Delaware corporation that operates as a self-administered and self-managed real estate investment trust, or REIT, under the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code. REITs will generally not be liable for U.S. federal corporate income taxes as long as they distribute not less than 100% of their REIT taxable income. Simon Property Group, L.P. is our majority-owned Delaware partnership subsidiary that owns all of our real estate properties and other assets. According to the Operating Partnership's partnership agreement, the Operating Partnership is required to pay all expenses of Simon. In these condensed notes to the consolidated financial statements, unless stated otherwise or the context otherwise requires, references to "Simon" mean Simon Property Group, Inc. and references to the "Operating Partnership" mean Simon Property Group, L.P. References to "we," "us" and "our" mean collectively Simon, the Operating Partnership and those entities/subsidiaries owned or controlled by Simon and/or the Operating Partnership. Unless otherwise indicated, these condensed notes to consolidated financial statements apply to both Simon and the Operating Partnership.

We own, develop and manage premier shopping, dining, entertainment and mixed-use destinations, which consist primarily of malls, Premium Outlets®, and The Mills®. As of June 30, 2019, we owned or held an interest in 206 income-producing properties in the United States, which consisted of 107 malls, 69 Premium Outlets, 14 Mills, four lifestyle centers, and 12 other retail properties in 37 states and Puerto Rico. Internationally, as of June 30, 2019, we had ownership in 29 Premium Outlets and Designer Outlet properties primarily located in Asia, Europe, and Canada. As of June 30, 2019, we also owned a 21.9% equity stake in Klépierre SA, or Klépierre, a publicly traded, Paris-based real estate company which owns, or has an interest in, shopping centers located in 16 countries in Europe.

2. Basis of Presentation

The accompanying unaudited consolidated financial statements include the accounts of all controlled subsidiaries, and all significant intercompany amounts have been eliminated. Due to the seasonal nature of certain operational activities, the results for the interim periods ended June 30, 2019 are not necessarily indicative of the results to be expected for the full year.

These consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and include all of the information and disclosures required by accounting principles generally accepted in the United States (GAAP) for interim reporting. Accordingly, they do not include all of the disclosures required by GAAP for complete financial statements. In the opinion of management, all adjustments necessary for a fair presentation (including normal recurring accruals) have been included. The consolidated financial statements in this Form 10-Q should be read in conjunction with the audited consolidated financial statements and related notes contained in the combined 2018 Annual Report on Form 10-K of Simon and the Operating Partnership. Certain reclassifications considered necessary for a fair presentation have been made to the prior period financial statements in order to conform to the current year presentation. These reclassifications have not changed the results of operations.

As of June 30, 2019, we consolidated 135 wholly-owned properties and 18 additional properties that are less than wholly-owned, but which we control or for which we are the primary beneficiary. We account for the remaining 82 properties, or the joint venture properties, as well as our investments in Klépierre, Aéropostale, Authentic Brands Group, LLC, or ABG, and HBS Global Properties, or HBS, using the equity method of accounting, as we have determined we have significant influence over their operations. We manage the day-to-day operations of 57 of the 82 joint venture properties, but have determined that our partner or partners have substantive participating rights with respect to the assets and operations of these joint venture properties. Our investments in joint ventures in Japan, South Korea, Mexico, Malaysia, Germany, Canada, and the United Kingdom comprise 21 of the remaining 25 properties. These international properties are managed by joint ventures in which we share control.

Preferred distributions of the Operating Partnership are accrued at declaration and represent distributions on outstanding preferred units of partnership interests, or preferred units, and are included in net income attributable to noncontrolling interests. We allocate net operating results of the Operating Partnership after preferred distributions to limited partners and to Simon based on the partners' respective weighted average ownership interests in the Operating Partnership. Net operating results of the Operating Partnership attributable to limited partners are reflected in net income attributable to noncontrolling interests. Simon's weighted average ownership interest in the Operating Partnership was 86.8% and 86.9% for the six months ended June 30, 2019

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and 2018, respectively. As of June 30, 2019 and December 31, 2018, Simon's ownership interest in the Operating Partnership was 86.8%. We adjust the noncontrolling limited partners' interests at the end of each period to reflect their interest in the net assets of the Operating Partnership.

Preferred unit requirements in the Operating Partnership's accompanying consolidated statements of operations and comprehensive income represent distributions on outstanding preferred units and are recorded when declared.

3. Significant Accounting Policies

Cash and Cash Equivalents

We consider all highly liquid investments purchased with an original maturity of 90 days or less to be cash and cash equivalents. Cash equivalents are carried at cost, which approximates fair value. Cash equivalents generally consist of commercial paper, bankers' acceptances, Eurodollars, repurchase agreements, and money market deposits or securities. Financial instruments that potentially subject us to concentrations of credit risk include our cash and cash equivalents and our trade accounts receivable. We place our cash and cash equivalents with institutions of high credit quality. However, at certain times, such cash and cash equivalents are in excess of Federal Deposit Insurance Corporation and Securities Investor Protection Corporation insurance limits.

Equity Instruments and Debt Securities

Equity instruments and debt securities consist primarily of the debt securities of our captive insurance subsidiary, equity instruments, our deferred compensation plan investments, and certain investments held to fund the debt service requirements of debt previously secured by investment properties. At June 30, 2019 and December 31, 2018, we had equity instruments with readily determinable fair values of $74.1 million and $78.1 million, respectively. Effective January 1, 2018, changes in fair value of these equity instruments are recorded in earnings. We recognized a cumulative effect adjustment of $7.3 million as of January 1, 2018 to reclassify unrealized gains previously reported in accumulated other comprehensive income as a result of the adoption of Accounting Standards Update (ASU) 2016-01, "Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities." Non-cash mark-to-market adjustments related to an investment we hold in units of a publicly traded real estate investment trust are included in unrealized (losses) gains in fair value of equity instruments in our consolidated statements of operations and comprehensive income. Non-cash mark-to-market adjustments related to other securities with readily determinable fair values for the three and six months ended June 30, 2019 and 2018 were not significant. At June 30, 2019 and December 31, 2018, we had equity instruments without readily determinable fair values of $187.5 million and $175.7 million, respectively, for which we have elected the measurement alternative under this guidance. We regularly evaluate these investments for any impairment in their estimated fair value, as well as any observable price changes for an identical or similar equity instrument of the same issuer, and determined that no material adjustment in the carrying value was required for the three or six months ended June 30, 2019 and 2018.

Our deferred compensation plan equity instruments are valued based upon quoted market prices. The investments have a matching liability as the amounts are fully payable to the employees that earned the compensation. Changes in value of these securities and changes to the matching liability to employees are both recognized in earnings and, as a result, there is no impact to consolidated net income.

At June 30, 2019 and December 31, 2018, we held debt securities of $49.8 million and $40.1 million, respectively, in our captive insurance subsidiary. The types of securities included in the investment portfolio of our captive insurance subsidiary are typically U.S. Treasury or other U.S. government securities as well as corporate debt securities with maturities ranging from less than one year to ten years. These securities are classified as available-for-sale and are valued based upon quoted market prices or other observable inputs when quoted market prices are not available. The amortized cost of debt securities, which approximates fair value, held by our captive insurance subsidiary is adjusted for amortization of premiums and accretion of discounts to maturity. Changes in the values of these securities are recognized in accumulated other comprehensive income (loss) until the gain or loss is realized or until any unrealized loss is deemed to be other-than-temporary. We review any declines in value of these securities

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for other-than-temporary impairment and consider the severity and duration of any decline in value. To the extent an other-than-temporary impairment is deemed to have occurred, an impairment is recorded and a new cost basis is established.

Our captive insurance subsidiary is required to maintain statutory minimum capital and surplus as well as maintain a minimum liquidity ratio. Therefore, our access to these securities may be limited.

Fair Value Measurements

Level 1 fair value inputs are quoted prices for identical items in active, liquid and visible markets such as stock exchanges. Level 2 fair value inputs are observable information for similar items in active or inactive markets, and appropriately consider counterparty creditworthiness in the valuations. Level 3 fair value inputs reflect our best estimate of inputs and assumptions market participants would use in pricing an asset or liability at the measurement date. The inputs are unobservable in the market and significant to the valuation estimate. We have no investments for which fair value is measured on a recurring basis using Level 3 inputs.

The equity instruments with readily determinable fair values we held at June 30, 2019 and December 31, 2018 were primarily classified as having Level 1 and Level 2 fair value inputs. In addition, we had derivative instruments which were classified as having Level 2 inputs, which consist primarily of foreign currency forward contracts and interest rate swap agreements with a gross asset balance of $12.9 million and $10.9 million at June 30, 2019 and December 31, 2018, respectively, and a gross liability balance of $4.0 million and $6.2 million at June 30, 2019 and December 31, 2018, respectively.

Note 7 includes a discussion of the fair value of debt measured using Level 2 inputs. Level 3 inputs to our purchase accounting and impairment analyses include our estimations of net operating results of the property, capitalization rates and discount rates.

Noncontrolling Interests

Simon

Details of the carrying amount of our noncontrolling interests are as follows:

	As of June 30, 2019	As of December 31, 2018
Limited partners' interests in the Operating Partnership	**$ 436,973**	$ 492,877
Nonredeemable noncontrolling interests in properties, net	**7,034**	7,398
Total noncontrolling interests reflected in equity	**$ 444,007**	$ 500,275

Net income attributable to noncontrolling interests (which includes nonredeemable and redeemable noncontrolling interests in consolidated properties, limited partners' interests in the Operating Partnership and preferred distributions payable by the Operating Partnership on its outstanding preferred units) is a component of consolidated net income. In addition, the individual components of other comprehensive income (loss) are presented in the aggregate for both controlling and noncontrolling interests, with the portion attributable to noncontrolling interests deducted from comprehensive income attributable to common stockholders.

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A rollforward of noncontrolling interests is as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Noncontrolling interests, beginning of period	**$ 486,983**	$ 527,430	**$ 500,275**	$ 552,596
Net income attributable to noncontrolling interests after preferred distributions and income attributable to redeemable noncontrolling interests in consolidated properties	**75,492**	83,037	**158,716**	177,213
Distributions to noncontrolling interest holders	**(96,432)**	(91,901)	**(192,994)**	(183,913)
Other comprehensive (loss) income allocable to noncontrolling interests:				
Unrealized (loss) gain on derivative hedge agreements	**(909)**	2,797	**318**	1,993
Net loss reclassified from accumulated other comprehensive loss into earnings	**144**	288	**287**	571
Currency translation adjustments	**(545)**	(5,034)	**(1,159)**	(3,371)
Changes in available-for-sale securities and other	**71**	29	**90**	(9)
	(1,239)	(1,920)	**(464)**	(816)
Adjustment to limited partners' interest from change in ownership in the Operating Partnership	**(28,588)**	(16,496)	**(32,755)**	(52,717)
Units exchanged for common shares	**—**	—	**(253)**	(70)
Units redeemed	**—**	(98)	**(8)**	(572)
Long-term incentive performance units	**7,721**	7,462	**11,422**	15,769
Contributions by noncontrolling interests, net, and other	**70**	90	**68**	114
Noncontrolling interests, end of period	**$ 444,007**	$ 507,604	**$ 444,007**	$ 507,604

The Operating Partnership

Our evaluation of the appropriateness of classifying the Operating Partnership's common units of partnership interest, or units, held by Simon and the Operating Partnership's limited partners within permanent equity considered several significant factors. First, as a limited partnership, all decisions relating to the Operating Partnership's operations and distributions are made by Simon, acting as the Operating Partnership's sole general partner. The decisions of the general partner are made by Simon's Board of Directors or management. The Operating Partnership has no other governance structure. Secondly, the sole asset of Simon is its interest in the Operating Partnership. As a result, a share of common stock of Simon, or common stock, if owned by the Operating Partnership, is best characterized as being similar to a treasury share and thus not an asset of the Operating Partnership.

Limited partners of the Operating Partnership have the right under the Operating Partnership's partnership agreement to exchange their units for shares of common stock or cash, as selected by Simon as the sole general partner. Accordingly, we classify units held by limited partners in permanent equity because Simon may elect to issue shares of common stock to limited partners exercising their exchange rights rather than using cash. Under the Operating Partnership's partnership agreement, the Operating Partnership is required to redeem units held by Simon only when Simon has repurchased shares of common stock. We classify units held by Simon in permanent equity because the decision to redeem those units would be made by Simon.

Net income attributable to noncontrolling interests (which includes nonredeemable and redeemable noncontrolling interests in consolidated properties) is a component of consolidated net income.

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A rollforward of noncontrolling interests is as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Noncontrolling nonredeemable interests in properties, net — beginning of period	$ 6,994	3,800	$ 7,398	$ 3,738
Net income attributable to noncontrolling nonredeemable interests	426	218	574	745
Distributions to noncontrolling nonredeemable interest holders	(455)	(475)	(1,007)	(964)
Contributions by noncontrolling nonredeemable interests, net, and other	69	89	69	113
Noncontrolling nonredeemable interests in properties, net — end of period	$ 7,034	$ 3,632	$ 7,034	$ 3,632

Accumulated Other Comprehensive Income (Loss)

Simon

The changes in components of our accumulated other comprehensive income (loss) attributable to common stockholders consisted of the following net of noncontrolling interest for the six months ended June 30, 2019:

	Currency translation adjustments	Accumulated derivative gains, net	Net unrealized (losses) gains on marketable securities	Total
Beginning balance	$ (158,904)	$ 32,933	$ (46)	$ (126,017)
Other comprehensive (loss) income before reclassifications	(7,208)	2,002	593	(4,613)
Amounts reclassified from accumulated other comprehensive income (loss)	—	1,887	—	1,887
Net current-period other comprehensive (loss) income	(7,208)	3,889	593	(2,726)
Ending balance	$ (166,112)	$ 36,822	$ 547	$ (128,743)

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The reclassifications out of accumulated other comprehensive income (loss) consisted of the following during the six months ended June 30:

Details about accumulated other comprehensive income (loss) components:	2019 Amount reclassified from accumulated other comprehensive income (loss)	2018 Amount reclassified from accumulated other comprehensive income (loss)	Affected line item where net income is presented
Accumulated derivative losses, net	$ **(2,174)**	$ (4,339)	Interest expense
	287	571	Net income attributable to noncontrolling interests
	$ **(1,887)**	$ (3,768)	

The Operating Partnership

The changes in accumulated other comprehensive income (loss) by component consisted of the following for the six months ended June 30, 2019:

	Currency translation adjustments	Accumulated derivative gains, net	Net unrealized (losses) gains on marketable securities	Total
Beginning balance	$ (182,978)	$ 37,916	$ (52)	$ (145,114)
Other comprehensive (loss) income before reclassifications	(8,367)	2,320	683	(5,364)
Amounts reclassified from accumulated other comprehensive income (loss)	—	2,174	—	2,174
Net current-period other comprehensive (loss) income	(8,367)	4,494	683	(3,190)
Ending balance	**$ (191,345)**	**$ 42,410**	**$ 631**	**$ (148,304)**

The reclassifications out of accumulated other comprehensive income (loss) consisted of the following during the six months ended June 30:

Details about accumulated other comprehensive income (loss) components:	2019 Amount reclassified from accumulated other comprehensive income (loss)	2018 Amount reclassified from accumulated other comprehensive income (loss)	Affected line item where net income is presented
Accumulated derivative losses, net	$ **(2,174)**	$ (4,339)	Interest expense

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Derivative Financial Instruments

We record all derivatives on our consolidated balance sheets at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether we have designated a derivative as a hedge and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. We may use a variety of derivative financial instruments in the normal course of business to selectively manage or hedge a portion of the risks associated with our indebtedness and interest payments. Our objectives in using interest rate derivatives are to add stability to interest expense and to manage our exposure to interest rate movements. To accomplish this objective, we primarily use interest rate swaps and caps. We require that hedging derivative instruments be highly effective in reducing the risk exposure that they are designated to hedge. We formally designate any instrument that meets these hedging criteria as a hedge at the inception of the derivative contract.

As of June 30, 2019 and December 31, 2018, we had no outstanding interest rate derivatives. We generally do not apply hedge accounting to interest rate caps, which had a nominal value as of June 30, 2019 and December 31, 2018, respectively.

We are also exposed to fluctuations in foreign exchange rates on financial instruments which are denominated in foreign currencies, primarily in Yen and Euro. We use currency forward contracts, cross currency swap contracts and foreign currency denominated debt to manage our exposure to changes in foreign exchange rates on certain Yen and Euro-denominated receivables and net investments. Currency forward contracts involve fixing the Yen:USD or Euro:USD exchange rate for delivery of a specified amount of foreign currency on a specified date. The currency forward contracts are typically cash settled in U.S. dollars for their fair value at or close to their settlement date.

We had the following Euro:USD forward contracts designated as net investment hedges at June 30, 2019 and December 31, 2018 (in millions):

		Asset (Liability) Value as of	
Notional Value	**Maturity Date**	**June 30, 2019**	**December 31, 2018**
€ 50.0	May 15, 2019	—	(0.8)
€ 50.0	May 15, 2020	—	(1.5)
€ 50.0	May 14, 2021	**(0.3)**	(2.0)

Asset balances in the above table are included in deferred costs and other assets. Liability balances in the above table are included in other liabilities.

We use a Euro-denominated cross-currency swap agreement to manage our exposure to changes in foreign exchange rates by swapping $150.0 million of 4.38% fixed rate U.S. dollar-denominated debt to 1.37% fixed rate Euro-denominated debt of €121.6 million. The cross-currency swap matures on December 1, 2020. The fair value of our cross-currency swap agreement at June 30, 2019 was $12.9 million and is included in deferred costs and other assets. We use a Yen-denominated cross-currency swap agreement designated as a net investment hedge to manage our exposure to changes in foreign exchange rates by swapping $200.1 million of 4.38% fixed rate U.S. dollar-denominated debt to ¥22.3 billion of 1.19% fixed rate Yen-denominated debt. The cross-currency swap matures on December 1, 2020. The fair value of our cross-currency swap agreement at June 30, 2019 was $3.7 million and is included in other liabilities.

We have designated the currency forward contracts and cross-currency swaps as net investment hedges. Accordingly, we report the changes in fair value in other comprehensive income (loss). Changes in the value of these forward contracts are offset by changes in the underlying hedged Euro or Yen-denominated joint venture investment.

The total gross accumulated other comprehensive income related to the Operating Partnership's derivative activities, including our share of the other comprehensive income from unconsolidated entities, approximated $42.4 million and $37.9 million as of June 30, 2019 and December 31, 2018, respectively.

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New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, "Leases," codified as Accounting Standards Codification (ASC) 842, which results in lessees recognizing most leased assets and corresponding lease liabilities on the balance sheet. Lessor accounting remains substantially similar to the previous accounting; however, certain refinements were made to conform the standard with the recently issued revenue recognition guidance in ASU 2014-09, "Revenue From Contracts With Customers", specifically related to the allocation and recognition of contract consideration earned from lease and non-lease revenue components. ASC 842 also limits the capitalization of leasing costs to initial direct costs, which, if applied in 2018, would have reduced our capitalized leasing costs and correspondingly increased expenses by approximately $45 million, of which $11.0 million and $22.3 million related to the three and six months ended June 30, 2018, respectively.

Substantially all of our revenues and the revenues of our equity method investments are earned from arrangements that are within the scope of ASC 842. On July 30, 2018, the FASB issued ASU 2018-11, also codified as ASC 842, which created a practical expedient that provides lessors an option not to separate lease and non-lease components when certain criteria are met and instead account for those components as a single lease component. We determined that our lease arrangements meet the criteria under the practical expedient to account for lease and non-lease components as a single lease component, which alleviates the requirement upon adoption of ASC 842 that we reallocate or separately present consideration from lease and non-lease components. On January 1, 2019, we began recognizing consideration received from fixed common area maintenance arrangements on a straight-line basis as this consideration is attributed to the lease component.

We, as a lessor, retain substantially all of the risks and benefits of ownership of the investment properties and continue to account for our leases as operating leases. We accrue fixed lease income on a straight-line basis over the terms of the leases. Substantially all of our retail tenants are also required to pay overage rents based on sales over a stated base amount during the lease year. We recognize this variable lease consideration only when each tenant's sales exceed the applicable sales threshold. We amortize any tenant inducements as a reduction of revenue utilizing the straight-line method over the term of the related lease or occupancy term of the tenant, if shorter.

We structure our leases to allow us to recover a significant portion of our property operating, real estate taxes, repairs and maintenance, and advertising and promotion expenses from our tenants. A substantial portion of our leases, other than those for anchor stores, require the tenant to reimburse us for a substantial portion of our operating expenses, including common area maintenance, or CAM, real estate taxes and insurance. This significantly reduces our exposure to increases in costs and operating expenses resulting from inflation or otherwise. Such property operating expenses typically include utility, insurance, security, janitorial, landscaping, food court and other administrative expenses. For substantially all of our leases in the U.S. mall portfolio, we receive a fixed payment from the tenant for the CAM component which is recognized as revenue on a straight-line basis over the term of the lease. When not reimbursed by the fixed-CAM component, CAM expense reimbursements are based on the tenant's proportionate share of the allocable operating expenses and CAM capital expenditures for the property. We accrue reimbursements from tenants for recoverable portions of all of these expenses as variable lease consideration in the period the applicable expenditures are incurred. We recognize differences between estimated recoveries and the final billed amounts in the subsequent year. These differences were not material in any period presented. Our advertising and promotional costs are expensed as incurred. Provisions for credit losses are recognized as a reduction of lease income. Refer to note 9 for further disclosure of lease income.

Minimum fixed lease consideration under non-cancelable tenant operating leases for each of the next five years and thereafter, excluding variable lease consideration, for the years ending December 31, as of June 30, 2019, is as follows:

2019	$ 3,651,178
2020	3,392,090
2021	3,031,609
2022	2,638,397
2023	2,176,031
Thereafter	5,817,996
	$ 20,707,301

Further, ASC 842 requires recognition on our consolidated balance sheets of leases of land and other arrangements where we are the lessee. Upon adoption on January 1, 2019, we recognized a right of use asset and corresponding lease liability of $524.0 million representing the present value of future lease payments required under our lessee arrangements. We utilized lease terms ranging from 2019 to 2090 including periods for which exercising an extension option is reasonably assured, and discount rates from 3.97% to 5.52% when determining the present value of future lease payments. All of our existing lessee arrangements upon adoption continue to be classified as operating leases and the pattern of lease expense recognition will be unchanged. Refer to note 10 for further disclosure regarding ground leases recognized as a result of the adoption of ASC 842.

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments - Credit Losses," which introduced new guidance for an approach based on expected losses to estimate credit losses on certain types of financial instruments. It also modifies the impairment model for available-for-sale debt securities and provides for a simplified accounting model for purchased financial assets with credit deterioration since their origination. Instruments in scope include loans, held-to-maturity debt securities, and net investments in leases as well as reinsurance and trade receivables. In November 2018, the FASB issued ASU 2018-19, which clarifies that operating lease receivables are outside the scope of the new standard. This standard will be effective for us in fiscal years beginning after December 15, 2019. We are currently evaluating the impact that the adoption of the new standard will have on our consolidated financial statements.

4. Real Estate Acquisitions and Dispositions

Unless otherwise noted, gains and losses on property transactions are included in gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net in the accompanying consolidated statements of operations and comprehensive income. We capitalize asset acquisition costs and expense costs related to business combinations, as well as disposition related costs as they are incurred. We incurred a minimal amount of transaction expenses during the three and six months ended June 30, 2019 and 2018.

On September 25, 2018, we acquired the remaining 50% interest in The Outlets at Orange from our joint venture partner. The Operating Partnership issued 475,183 units, or approximately $84.1 million, as consideration for the acquisition. The property is subject to a $215.0 million, 4.22% fixed rate mortgage. We accounted for this transaction as an asset acquisition and substantially all of our investment has been determined to relate to investment property.

During the first six months of 2018, we recorded net gains of $144.9 million primarily related to our disposition activity which included the foreclosure of a consolidated property in satisfaction of its $200 million non-recourse mortgage.

5. Per Share and Per Unit Data

We determine basic earnings per share and basic earnings per unit based on the weighted average number of shares of common stock or units, as applicable, outstanding during the period and we consider any participating securities for purposes of applying the two-class method. We determine diluted earnings per share and diluted earnings per unit based on the weighted average number of shares of common stock or units, as applicable, outstanding combined with the incremental weighted average number of shares or units, as applicable, that would have been outstanding assuming all potentially dilutive securities were converted into shares of common stock or units, as applicable, at the earliest date possible. The following tables set forth the components of basic and diluted earnings per share and basic and diluted earnings per unit.

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	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Net Income attributable to Common Stockholders — Basic and Diluted	**$ 495,324**	$ 547,004	**$ 1,043,799**	$ 1,167,658
Weighted Average Shares Outstanding — Basic and Diluted	**308,708,798**	309,355,154	**308,842,682**	309,966,005

For the three and six months ended June 30, 2019, potentially dilutive securities include units that are exchangeable for common stock and long-term incentive performance units, or LTIP units, granted under our long-term incentive performance programs that are convertible into units and exchangeable for common stock. No securities had a material dilutive effect for the three or six months ended June 30, 2019 and 2018. We have not adjusted net income attributable to common stockholders and weighted average shares outstanding for income allocable to limited partners or units, respectively, as doing so would have no dilutive impact. We accrue dividends when they are declared.

The Operating Partnership

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
Net Income attributable to Unitholders — Basic and Diluted	**$ 570,389**	$ 629,822	**$ 1,201,940**	$ 1,344,126
Weighted Average Units Outstanding — Basic and Diluted	**355,491,396**	356,181,817	**355,634,031**	356,810,908

For the three and six months ended June 30, 2019, potentially dilutive securities include LTIP units. No securities had a material dilutive effect for the three or six months ended June 30, 2019 and 2018. We accrue distributions when they are declared.

6. Investment in Unconsolidated Entities and International Investments

Real Estate Joint Ventures and Investments

Joint ventures are common in the real estate industry. We use joint ventures to finance properties, develop new properties and diversify our risk in a particular property or portfolio of properties. As discussed in note 2, we held joint venture interests in 82 properties as of June 30, 2019.

Certain of our joint venture properties are subject to various rights of first refusal, buy-sell provisions, put and call rights, or other sale or marketing rights for partners which are customary in real estate joint venture agreements and the industry. We and our partners in these joint ventures may initiate these provisions (subject to any applicable lock up or similar restrictions), which may result in either the sale of our interest or the use of available cash or borrowings, or the use of limited partnership interests in the Operating Partnership, to acquire the joint venture interest from our partner.

We may provide financing to joint ventures primarily in the form of interest bearing construction loans. As of June 30, 2019 and December 31, 2018, we had construction loans and other advances to related parties totaling $85.9 million and $85.8 million, respectively, which are included in deferred costs and other assets in the accompanying consolidated balance sheets.

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Unconsolidated Entity Transactions

During the first quarter of 2019, we disposed of our interests in a multi-family residential investment. Our share of the gross proceeds was $17.3 million. The gain of $15.6 million is included in other income in the accompanying consolidated statement of operations and comprehensive income.

On September 25, 2018, as discussed in note 4, we acquired the remaining 50% interest in The Outlets at Orange from our joint venture partner. The Operating Partnership issued 475,183 units at a price of $176.99 to acquire this remaining interest. As a result of this acquisition, we now own 100% of this property.

As of June 30, 2019 and December 31, 2018, we had an 11.7% legal noncontrolling equity interest in HBS, a joint venture we formed with Hudson's Bay Company. Our share of net (loss) income, net of amortization of our excess investment, was ($5.6) million and $3.7 million for the three months ended June 30, 2019 and 2018, respectively, and ($8.2) million and $7.6 million for the six months ended June 30, 2019 and 2018, respectively. Total revenues, operating income and consolidated net (loss) income of HBS were approximately $67.2 million, $1.1 million and ($22.1) million, respectively, for the six months ended June 30, 2019 and $174.2 million, $102.3 million and $53.8 million, respectively, for the six months ended June 30, 2018.

On June 7, 2018, Aventura Mall, a property in which we own a 33.3% interest, refinanced its $1.2 billion mortgage and its $200.8 million construction loan with a $1.75 billion mortgage at a fixed interest rate of 4.12% that matures on July 1, 2028. An early repayment charge of $30.9 million was incurred at the property, which along with the write-off of deferred debt issuance costs of $6.5 million, is included in interest expense in the accompanying combined joint venture statements of operations. Our $12.5 million share of the charge associated with the repayment is included in income from unconsolidated entities in the accompanying consolidated statements of operations and comprehensive income. Excess proceeds from the financing were distributed to the venture partners in June 2018.

In May 2017, Colorado Mills, a property in which we have a 37.5% interest, sustained significant hail damage. During the second quarter of 2017, the property recorded an impairment charge of approximately $32.5 million based on the net carrying value of the assets damaged, which was fully offset by anticipated insurance recoveries. As of June 30, 2018, the property had received business interruption proceeds and also property damage proceeds of $58.3 million, which resulted in the property recording a $25.8 million gain in 2018. Our share of the gain, $9.7 million, is reflected within the gain upon acquisition of controlling interests, sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net in the accompanying consolidated statements of operations and comprehensive income.

On September 15, 2016, we and a group of co-investors acquired certain assets and liabilities of Aéropostale, a retailer of apparel and accessories, out of bankruptcy. The interests were acquired through two separate joint ventures, a licensing venture and an operating venture. In April 2018, we contributed our entire interest in the licensing venture in exchange for additional interests in ABG, a brand development, marketing, and entertainment company. As a result, we recognized a $35.6 million non-cash gain representing the increase in value of our previously held interest in the licensing venture, which is included in other income in the accompanying consolidated statements of operations and comprehensive income. At June 30, 2019, our noncontrolling equity method interests in the operations venture of Aéropostale and in ABG were 44.95% and 5.40%, respectively.

European Investments

At June 30, 2019, we owned 63,924,148 shares, or approximately 21.9%, of Klépierre, which had a quoted market price of $33.52 per share. Our share of net income, net of amortization of our excess investment, was $21.2 million and $24.8 million for the three months ended June 30, 2019 and 2018, respectively, and $39.0 million and $47.7 million for the six months ended June 30, 2019 and 2018, respectively. Based on applicable Euro:USD exchange rates and after our conversion of Klépierre's results to GAAP, Klépierre's total revenues, operating income and consolidated net income were approximately $760.2 million, $318.5 million and $276.6 million, respectively, for the six months ended June 30, 2019 and $814.7 million, $333.3 million and $364.4 million, respectively, for the six months ended June 30, 2018.

During the six months ended June 30, 2019 and 2018, Klépierre completed the disposal of its interests in certain shopping centers. In connection with these disposals, we recorded gains of $2.7 million and $13.4 million, respectively, representing our share of the gains recognized by Klépierre, which is included in gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net in the accompanying consolidated statements of operations and comprehensive income.

We have an interest in a European investee that had interests in nine Designer Outlet properties as of June 30, 2019 and December 31, 2018, respectively. As of June 30, 2019, our legal percentage ownership interests in these properties ranged from 45% to 94%.

In addition, we have a 50.0% noncontrolling interest in a European property management and development company that provides services to the Designer Outlet properties.

We also have minority interests in Value Retail PLC and affiliated entities, which own or have interests in and operate nine luxury outlets located throughout Europe and we also have a direct minority ownership in three of those outlets. At June 30, 2019 and December 31, 2018, the carrying value of these equity instruments without readily determinable fair values was $140.8 million and is included in deferred costs and other assets.

Asian Joint Ventures

We conduct our international Premium Outlet operations in Japan through a joint venture with Mitsubishi Estate Co., Ltd. We have a 40% noncontrolling ownership interest in this joint venture. The carrying amount of our investment in this joint venture was $200.9 million and $232.1 million as of June 30, 2019 and December 31, 2018, respectively, including all related components of accumulated other comprehensive income (loss). We conduct our international Premium Outlet operations in South Korea through a joint venture with Shinsegae International Co. We have a 50% noncontrolling ownership interest in this joint venture. The carrying amount of our investment in this joint venture was $162.3 million and $166.3 million as of June 30, 2019 and December 31, 2018, respectively, including all related components of accumulated other comprehensive income (loss).

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Summary Financial Information

A summary of our equity method investments and share of income from such investments, excluding Klépierre, Aéropostale, ABG, and HBS follows.

COMBINED BALANCE SHEETS

	June 30, 2019	December 31, 2018
Assets:		
Investment properties, at cost	$ 19,124,164	$ 18,807,449
Less - accumulated depreciation	7,119,224	6,834,633
	12,004,940	11,972,816
Cash and cash equivalents	882,158	1,076,398
Tenant receivables and accrued revenue, net	425,658	445,148
Deferred costs and other assets	618,538	390,818
Total assets	$ 13,931,294	$ 13,885,180
Liabilities and Partners' Deficit:		
Mortgages	$ 15,253,009	$ 15,235,415
Accounts payable, accrued expenses, intangibles, and deferred revenue	881,032	976,311
Other liabilities	554,459	344,205
Total liabilities	16,688,500	16,555,931
Preferred units	67,450	67,450
Partners' deficit	(2,824,656)	(2,738,201)
Total liabilities and partners' deficit	$ 13,931,294	$ 13,885,180
Our Share of:		
Partners' deficit	$ (1,227,185)	$ (1,168,216)
Add: Excess Investment	1,564,970	1,594,198
Our net Investment in unconsolidated entities, at equity	$ 337,785	$ 425,982

"Excess Investment" represents the unamortized difference of our investment over our share of the equity in the underlying net assets of the joint ventures or other investments acquired and has been determined to primarily relate to the fair value of the investment properties, intangible assets, and debt premiums and discounts. We amortize excess investment over the life of the related depreciable components of assets acquired, typically no greater than 40 years, the terms of the applicable leases, the estimated useful lives of the finite lived intangibles, and the applicable debt maturity, respectively. The amortization is included in the reported amount of income from unconsolidated entities.

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COMBINED STATEMENTS OF OPERATIONS

	For The Three Months Ended June 30,		For The Six Months Ended June 30,	
	2019	2018	2019	2018
REVENUE:				
Lease income	**$ 760,131**	$ 749,892	**$ 1,519,110**	$ 1,502,497
Other income	**79,389**	78,378	**155,311**	159,487
Total revenue	**839,520**	828,270	**1,674,421**	1,661,984
OPERATING EXPENSES:				
Property operating	**140,262**	139,553	**284,983**	285,845
Depreciation and amortization	**170,407**	166,299	**340,664**	326,134
Real estate taxes	**67,809**	68,576	**136,526**	136,843
Repairs and maintenance	**18,832**	20,736	**41,209**	43,933
Advertising and promotion	**19,695**	20,884	**44,021**	45,108
Other	**47,743**	49,885	**97,058**	99,617
Total operating expenses	**464,748**	465,933	**944,461**	937,480
Operating Income Before Other Items	**374,772**	362,337	**729,960**	724,504
Interest expense	**(157,927)**	(190,751)	**(313,944)**	(341,684)
Gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities, net	**—**	25,792	**21,587**	25,792
Net Income	**$ 216,845**	$ 197,378	**$ 437,603**	$ 408,612
Third-Party Investors' Share of Net Income	**$ 110,620**	$ 96,240	**$ 223,287**	$ 202,424
Our Share of Net Income	**106,225**	101,138	**214,316**	206,188
Amortization of Excess Investment	**(20,774)**	(21,395)	**(41,567)**	(42,921)
Our Share of Gain on Sale or Disposal of Assets and Interest in Other Income in the Consolidated Financial Statements	**—**	—	**(9,155)**	—
Our Share of Gain on Sale or Disposal of, or Recovery on, Assets and Interests in Unconsolidated Entities, net	**—**	(9,672)	**—**	(9,672)
Income from Unconsolidated Entities	**$ 85,451**	$ 70,071	**$ 163,594**	$ 153,595

Our share of income from unconsolidated entities in the above table, aggregated with our share of the results of Klépierre, Aéropostale, ABG, and HBS, is presented in income from unconsolidated entities in the accompanying consolidated statements of operations and comprehensive income. Unless otherwise noted, our share of the gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities, net is reflected within gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net in the accompanying consolidated statements of operations and comprehensive income.

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7. Debt

Unsecured Debt

At June 30, 2019, our unsecured debt consisted of $15.0 billion of senior unsecured notes of the Operating Partnership, $125.0 million outstanding under the Operating Partnership's $4.0 billion unsecured revolving credit facility, or Credit Facility, and $ 1.4 billion outstanding under the Operating Partnership's global unsecured commercial paper note program, or Commercial Paper program.

On June 30, 2019, we had an aggregate available borrowing capacity of $5.9 billion under the Credit Facility and the Operating Partnership's $3.5 billion unsecured revolving credit facility, or Supplemental Facility, and together with the Credit Facility, the Credit Facilities. The maximum aggregate outstanding balance under the Credit Facilities during the six months ended June 30, 2019 was $130.7 million and the weighted average outstanding balance was $125.2 million. Letters of credit of $11.3 million were outstanding under the Credit Facilities as of June 30, 2019.

The Credit Facility's initial borrowing capacity of $4.0 billion may be increased to $5.0 billion during its term and provides for borrowings denominated in U.S. dollars, Euro, Yen, Sterling, Canadian dollars and Australian dollars. Borrowings in currencies other than the U.S. dollar are limited to 95% of the maximum revolving credit amount, as defined. The initial maturity date of the Credit Facility is June 30, 2021 and can be extended for an additional year to June 30, 2022 at our sole option, subject to our continued compliance with the terms thereof. The base interest rate on the Credit Facility is LIBOR plus 77.5 basis points with a facility fee of 10 basis points.

The Supplemental Facility's initial borrowing capacity of $3.5 billion may be increased to $4.5 billion during its term and provides for borrowings denominated in U.S. dollars, Euro, Yen, Sterling, Canadian dollars and Australian dollars. The initial maturity date of the Supplemental Facility was extended to June 30, 2022 and can be extended for an additional year to June 30, 2023 at our sole option, subject to our continued compliance with the terms thereof. The base interest rate on the Supplemental Facility is LIBOR plus 77.5 basis points with a facility fee of 10 basis points.

The Operating Partnership also has available a Commercial Paper program of $2.0 billion, or the non-U.S. dollar equivalent thereof. The Operating Partnership may issue unsecured commercial paper notes, denominated in U.S. dollars, Euro and other currencies. Notes issued in non-U.S. currencies may be issued by one or more subsidiaries of the Operating Partnership and are guaranteed by the Operating Partnership. Notes will be sold under customary terms in the U.S. and Euro commercial paper note markets and rank (either by themselves or as a result of the guarantee described above) pari passu with the Operating Partnership's other unsecured senior indebtedness. The Commercial Paper program is supported by the Credit Facilities and if necessary or appropriate, we may make one or more draws under either of the Credit Facilities to pay amounts outstanding from time to time on the Commercial Paper program. On June 30, 2019, we had $1.4 billion outstanding under the Commercial Paper program, fully comprised of U.S. dollar-denominated notes with a weighted average interest rate of 2.47%. These borrowings have a weighted average maturity date of September 19, 2019 and reduce amounts otherwise available under the Credit Facilities.

On February 1, 2019, the Operating Partnership repaid at maturity $600.0 million of senior unsecured notes with a fixed interest rate of 2.20%.

Mortgage Debt

Total mortgage indebtedness was $6.8 billion at June 30, 2019 and December 31, 2018.

Covenants

Our unsecured debt agreements contain financial covenants and other non-financial covenants. If we were to fail to comply with these covenants, after the expiration of the applicable cure periods, the debt maturity could be accelerated or other remedies could be sought by the lender, including adjustments to the applicable interest rate. As of June 30, 2019, we were in compliance with all covenants of our unsecured debt.

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At June 30, 2019, our consolidated subsidiaries were the borrowers under 45 non-recourse mortgage notes secured by mortgages on 48 properties, including two separate pools of cross-defaulted and cross-collateralized mortgages encumbering a total of five properties. Under these cross-default provisions, a default under any mortgage included in the cross-defaulted pool may constitute a default under all mortgages within that pool and may lead to acceleration of the indebtedness due on each property within the pool. Certain of our secured debt instruments contain financial and other non-financial covenants which are specific to the properties that serve as collateral for that debt. If the applicable borrower under these non-recourse mortgage notes were to fail to comply with these covenants, the lender could accelerate the debt and enforce its rights against their collateral. At June 30, 2019, the applicable borrowers under these non-recourse mortgage notes were in compliance with all covenants where non-compliance could individually or in the aggregate, giving effect to applicable cross-default provisions, have a material adverse effect on our financial condition, liquidity or results of operations.

Fair Value of Debt

The carrying value of our variable-rate mortgages and other loans approximates their fair values. We estimate the fair values of consolidated fixed rate mortgages using cash flows discounted at current borrowing rates and other indebtedness using cash flows discounted at current market rates. We estimate the fair values of consolidated fixed rate unsecured notes using quoted market prices, or, if no quoted market prices are available, we use quoted market prices for securities with similar terms and maturities. The book value of our consolidated fixed rate mortgages and unsecured indebtedness including commercial paper was $22.4 billion as of June 30, 2019 and December 31, 2018. The fair values of these financial instruments and the related discount rate assumptions as of June 30, 2019 and December 31, 2018 are summarized as follows:

	June 30, 2019	December 31, 2018
Fair value of consolidated fixed rate mortgages and unsecured indebtedness	**$ 23,318**	$ 22,323
Weighted average discount rates assumed in calculation of fair value for fixed rate mortgages	**3.83 %**	4.55 %
Weighted average discount rates assumed in calculation of fair value for unsecured indebtedness	**3.78 %**	4.50 %

8. Equity

During the six months ended June 30, 2019, Simon issued 24,000 shares of common stock to a limited partner of the Operating Partnership in exchange for an equal number of units pursuant to the partnership agreement of the Operating Partnership. During the six months ended June 30, 2019, the Operating Partnership redeemed 774 units from three limited partners for $0.1 million. These transactions increased Simon's ownership interest in the Operating Partnership.

On February 13, 2017, Simon's Board of Directors authorized a two-year extension of the previously authorized $2.0 billion common stock repurchase plan through March 31, 2019. On February 11, 2019, Simon's Board of Directors authorized a new common stock repurchase plan. Under the new plan, Simon may repurchase up to $2.0 billion of its common stock during the two-year period ending February 11, 2021 in the open market or in privately negotiated transactions as market conditions warrant. During the six months ended June 30, 2019, Simon purchased 1,092,957 shares at an average price of $165.84 per share, of which 46,377 shares at an average price of $164.49 were purchased as part of the previous program. In July 2019, Simon purchased 633,780 shares at an average price of $157.78 per share. During the six months ended June 30, 2018, Simon purchased 1,988,247 shares at an average price of $154.56 per share as part of the previous program. As Simon repurchases shares under these programs, the Operating Partnership repurchases an equal number of units from Simon.

We paid a common stock dividend of $2.05 per share in the second quarter of 2019 and $4.10 per share for the six months ended June 30, 2019. The Operating Partnership paid distributions per unit for the same amounts. We paid dividends of $1.95 and $3.90 per share for the three and six months ended June 30, 2018. The Operating Partnership paid distributions per unit for

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the same amounts. Simon's Board of Directors declared a quarterly cash dividend for the third quarter of 2019 of $2.10 per share of common stock payable on August 30, 2019 to stockholders of record on August 16, 2019. The distribution rate on units is equal to the dividend rate on common stock.

Temporary Equity

Simon

Simon classifies as temporary equity those securities for which there is the possibility that Simon could be required to redeem the security for cash irrespective of the probability of such a possibility. As a result, Simon classifies one series of preferred units in the Operating Partnership and noncontrolling redeemable interests in properties in temporary equity. Each of these securities is discussed further below.

Limited Partners' Preferred Interest in the Operating Partnership and Noncontrolling Redeemable Interests in Properties. The redemption features of the preferred units in the Operating Partnership contain provisions which could require the Operating Partnership to settle the redemption in cash. As a result, this series of preferred units in the Operating Partnership remains classified outside permanent equity. The remaining interests in a property or portfolio of properties which are redeemable at the option of the holder or in circumstances that may be outside Simon's control are accounted for as temporary equity. The carrying amount of the noncontrolling interest is adjusted to the redemption amount assuming the instrument is redeemable at the balance sheet date. Changes in the redemption value of the underlying noncontrolling interest are recorded within accumulated deficit in the consolidated statements of equity in issuance of unit equivalents and other. There were no noncontrolling interests redeemable at amounts in excess of fair value as of June 30, 2019 and December 31, 2018. The following table summarizes the preferred units in the Operating Partnership and the amount of the noncontrolling redeemable interests in properties as follows:

	As of June 30, 2019	As of December 31, 2018
7.50% Cumulative Redeemable Preferred Units, 260,000 units authorized, 255,373 issued and outstanding	**$ 25,537**	$ 25,537
Other noncontrolling redeemable interests in properties	**205,788**	204,626
Limited partners' preferred interest in the Operating Partnership and noncontrolling redeemable interests in properties	**$ 231,325**	$ 230,163

The Operating Partnership

The Operating Partnership classifies as temporary equity those securities for which there is the possibility that the Operating Partnership could be required to redeem the security for cash, irrespective of the probability of such a possibility. As a result, the Operating Partnership classifies one series of preferred units and noncontrolling redeemable interests in properties in temporary equity. The following table summarizes the preferred units and the amount of the noncontrolling redeemable interests in properties as follows:

	As of June 30, 2019	As of December 31, 2018
7.50% Cumulative Redeemable Preferred Units, 260,000 units authorized, 255,373 issued and outstanding	**$ 25,537**	$ 25,537
Other noncontrolling redeemable interests in properties	**205,788**	204,626
Total preferred units, at liquidation value, and noncontrolling redeemable interests in properties	**$ 231,325**	$ 230,163

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Stock Based Compensation

Awards under our stock based compensation plans primarily take the form of LTIP unit and restricted stock grants. Restricted stock and awards under the LTIP programs contain both market and performance conditions, which are based on various individual, corporate and business unit performance measures as further described below. The expense related to these programs, net of amounts capitalized, is included within home and regional office costs and general and administrative costs in the accompanying statements of operations and comprehensive income.

LTIP Programs. The Compensation Committee has approved long-term, performance based incentive compensation programs, or the LTIP programs, for certain senior employees. Awards under the LTIP programs take the form of LTIP units, a form of limited partnership interest issued by the Operating Partnership, which are subject to the participant maintaining employment with us through certain dates and other conditions as described in the applicable award agreements. Awarded LTIP units not earned in accordance with the conditions set forth in the applicable award agreements are forfeited. Earned and fully vested LTIP units are equivalent to units of the Operating Partnership. During the performance period, participants are entitled to receive distributions on the LTIP units awarded to them equal to 10% of the regular quarterly distributions paid on a unit of the Operating Partnership. As a result, we account for these LTIP units as participating securities under the two-class method of computing earnings per share.

In 2019, the Compensation Committee established and granted awards under a redesigned LTIP program, or the 2019 LTIP program. Awards under the 2019 LTIP program will be considered earned if, and only to the extent to which, the respective performance conditions (based on Funds From Operations, or FFO, per share, and Objective Criteria Goals) and market conditions (based on Relative TSR performance), as defined in the applicable award agreements, are achieved during the applicable three-year measurement period, subject to the recipient's continued employment through the vesting date. All of the earned LTIP units under the 2019 LTIP program will vest on January 1, 2023. The 2019 LTIP program provides that the amount earned of the performance-based portion of the awards is dependent on Simon's performance compared to certain criteria and has a maximum potential fair value at issuance of $22.1 million.

The grant date fair values of any LTIP units for market-based awards are estimated using a Monte Carlo model, and the resulting fixed expense is recorded regardless of whether the market condition criteria are achieved if the required service is delivered. The grant date fair values of the market-based awards are being amortized into expense over the period from the grant date to the date at which the awards, if earned, would become vested. The level of expense of the performance-based award is recorded over the period from the grant date to the date at which the awards, if earned, would become vested, based on our assessment as to whether it is probable that the performance criteria will be achieved during the applicable performance periods.

The Compensation Committee approved LTIP unit grants as shown in the table below. The extent to which LTIP units were earned, and the aggregate grant date fair value, are as follows:

LTIP Program	LTIP Units Earned	Grant Date Fair Value of TSR Award	Grant Date Target Value of Performance-Based Awards
2014-2016 LTIP program	120,314	$27.5 million	—
2015-2017 LTIP program	—	$21.6 million	—
2016-2018 LTIP program	—	$22.7 million	—
2018 LTIP program - Tranche A	To be determined in 2020	$6.1 million	$6.1 million
2018 LTIP program - Tranche B	To be determined in 2021	$6.1 million	$6.1 million
2019 LTIP program	To be determined in 2022	$9.5 million	$14.7 million

We recorded compensation expense, net of capitalization, related to these LTIP programs of approximately $8.1 million and $8.6 million for the six months ended June 30, 2019 and 2018, respectively.

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Restricted Stock. The Compensation Committee awarded 82,969 shares of restricted stock to employees during the six months ended June 30, 2019 at a weighted-average fair market value of $182.21 per share. During the six months ended June 30, 2019, our non-employee Directors were awarded 10,644 shares of restricted stock at a weighted average fair market value of $174.03 per share. These shares represent a portion of the compensation we pay our non-employee Directors, and all of the shares have been placed in a non-employee Director deferred compensation account maintained by us. The grant date fair value of the employee restricted stock awards is being recognized as expense over the three-year vesting service period. The grant date fair value of the non-employee Director restricted stock awards is being recognized as expense over the one-year vesting service period. In accordance with the Operating Partnership's partnership agreement, the Operating Partnership issued an equal number of units to Simon that are subject to the same vesting conditions as the restricted stock.

We recorded compensation expense, net of capitalization, related to restricted stock of approximately $3.8 million and $4.0 million for the six months ended June 30, 2019 and 2018, respectively.

Other Compensation Arrangements. On July 6, 2011, in connection with the execution of an employment agreement, the Compensation Committee granted David Simon, Simon's Chairman, Chief Executive Officer and President, a retention award in the form of 1,000,000 LTIP units, or the Award, for his continued service through July 5, 2019. Effective December 31, 2013, the Award was modified, or the Current Award, and as a result the LTIP units would become earned and eligible to vest based on the attainment of Company-based performance goals, in addition to the service-based vesting requirement included in the original Award. The Current Award does not contain an opportunity for Mr. Simon to receive additional LTIP units above and beyond the original Award should our performance exceed the higher end of the performance criteria. The performance criteria of the Current Award are based on the attainment of specific FFO per share goals. Because the performance criteria has been met, a maximum of 360,000 LTIP units, or the A units, 360,000 LTIP units, or the B units, and 280,000 LTIP units, or the C units, became earned on December 31, 2015, December 31, 2016 and December 31, 2017, respectively. If the relevant performance criteria had not been achieved, all or a portion of the Current Award would have been forfeited. The earned A units vested on January 1, 2018, earned B units vested on January 1, 2019 and earned C units vested on June 30, 2019. The grant date fair value of the retention award of $120.3 million was recognized as expense over the eight-year term of his employment agreement on a straight-line basis based on the applicable vesting periods of the A units, B units and C units.

9. Lease Income

As discussed in note 3, fixed lease income under our operating leases includes fixed minimum lease consideration and fixed CAM reimbursements which are accrued on a straight-line basis over the terms of the leases. Variable lease income includes consideration based on sales, as well as reimbursements for real estate taxes, utilities, marketing, and certain other items.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Fixed lease income	**$ 1,068,701**	$ 1,031,040	**$ 2,128,820**	$ 2,069,806
Variable lease income	**229,866**	227,658	**449,803**	456,784
Total lease income	**$ 1,298,567**	$ 1,258,698	**$ 2,578,623**	$ 2,526,590

Lease income for the three and six months ended June 30, 2018 has been reclassified to conform to the current year presentation.

10. Commitments and Contingencies

Litigation

We are involved from time-to-time in various legal and regulatory proceedings that arise in the ordinary course of our business, including, but not limited to, commercial disputes, environmental matters, and litigation in connection with transactions such as acquisitions and divestitures. We believe that current proceedings will not have a material adverse effect on our financial condition, liquidity, or results of operations. We record a liability when a loss is considered probable and the amount can be reasonably estimated.

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During the first quarter of 2019, we settled a lawsuit with our former insurance broker, Aon Risk Services Central Inc., related to the significant flood damage sustained at Opry Mills in May 2010. In accordance with a previous agreement with the prior co-investor in Opry Mills, a portion of the settlement was remitted to the co-investor. Our share of the settlement was approximately $68.0 million, which was recorded as other income in the accompanying consolidated statement of operations and comprehensive income.

Lease Commitments

As of June 30, 2019, a total of 23 of our consolidated properties are subject to ground leases. The termination dates of these ground leases range from 2019 to 2090, including periods for which exercising an extension option is reasonably assured. These ground leases generally require us to make fixed annual rental payments, or a fixed annual rental payment plus a percentage rent component based upon the revenues or total sales of the property. In addition, we have several regional office locations that are subject to leases with termination dates ranging from 2019 to 2028. These office leases generally require us to make fixed annual rental payments plus pay our share of common area, real estate, and utility expenses. Some of our ground and office leases include escalation clauses. All of our lease arrangements are classified as operating leases. We incurred ground lease expense and office lease expense, which are included in other expense and home office and regional expense, respectively, as follows:

	For the Three Months Ended June 30, 2019	For the Six Months Ended June 30, 2019
Lease Cost		
Operating lease cost	$ 7,943	$ 15,108
Variable lease cost	4,186	8,330
Sublease income	(167)	(334)
Total lease cost	**$ 11,962**	**$ 23,104**

For the three and six months ended June 30, 2018, we incurred $11,302 and $23,427 of lease expense, respectively.

	For the Six Months Ended June 30, 2019
Other Information	
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	$ 24,172
Weighted-average remaining lease term - operating leases	36.0 years
Weighted-average discount rate - operating leases	4.87%

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Minimum lease payments due under these leases for years ending December 31, excluding applicable extension options and renewal options unless reasonably certain of exercise and any sublease income, are as follows:

2019	$ 32,444
2020	32,438
2021	32,440
2022	32,451
2023	32,583
Thereafter	941,418
	$ 1,103,774
Impact of discounting	(583,181)
Operating lease liabilities	$ 520,593

Lease liabilities are included within other liabilities in the consolidated balance sheet. Right of use assets are included within deferred costs and other assets in the consolidated balance sheet.

Guarantees of Indebtedness

Joint venture debt is the liability of the joint venture and is typically secured by the joint venture property, which is non-recourse to us. As of June 30, 2019 and December 31, 2018, the Operating Partnership guaranteed joint venture related mortgage indebtedness of $216.1 million (of which we have a right of recovery from our venture partners of $10.8 million). Mortgages guaranteed by the Operating Partnership are secured by the property of the joint venture which could be sold in order to satisfy the outstanding obligation and which has an estimated fair value in excess of the guaranteed amount.

Concentration of Credit Risk

Our U.S. Malls, Premium Outlets, and The Mills rely upon anchor tenants to attract customers; however, anchors do not contribute materially to our financial results as many anchors own their spaces. All material operations are within the United States and no customer or tenant accounts for 5% or more of our consolidated revenues.

Hurricane Impacts

During the third quarter of 2017, our two wholly-owned properties located in Puerto Rico sustained significant damage as a result of Hurricane Maria. Since the date of the loss, we have received $68.3 million of insurance proceeds from third-party carriers related to the two properties located in Puerto Rico, of which $42.7 million was used for property restoration and remediation and to reduce the insurance recovery receivable. During the three and six months ended June 30, 2019, we recorded $3.2 million and $7.6 million, respectively, as business interruption proceeds in other income in the accompanying consolidated statements of operations and comprehensive income.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto included in this report.

Overview

Simon Property Group, Inc. is a Delaware corporation that operates as a self-administered and self-managed real estate investment trust, or REIT, under the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code. REITs will generally not be liable for U.S. federal corporate income taxes as long as they distribute not less than 100% of their REIT taxable income. Simon Property Group, L.P. is our majority-owned Delaware partnership subsidiary that owns all of our real estate properties and other assets. According to the Operating Partnership's partnership agreement, the Operating Partnership is required to pay all expenses of Simon. Unless stated otherwise or the context otherwise requires, references to "Simon" mean Simon Property Group, Inc. and references to the "Operating Partnership" mean Simon Property Group, L.P. References to "we," "us" and "our" mean collectively Simon, the Operating Partnership and those entities/subsidiaries owned or controlled by Simon and/or the Operating Partnership.

We own, develop and manage premier shopping, dining, entertainment and mixed-use destinations, which consist primarily of malls, Premium Outlets®, and The Mills®. As of June 30, 2019, we owned or held an interest in 206 income-producing properties in the United States, which consisted of 107 malls, 69 Premium Outlets, 14 Mills, four lifestyle centers, and 12 other retail properties in 37 states and Puerto Rico. In addition, we have redevelopment and expansion projects, including the addition of anchors, big box tenants, and restaurants, underway at properties in the United States, Canada, Asia and Europe. Internationally, as of June 30, 2019, we had ownership in 29 Premium Outlets and Designer Outlet properties primarily located in Asia, Europe, and Canada. We also have four international outlet properties under development. As of June 30, 2019, we also owned a 21.9% equity stake in Klépierre SA, or Klépierre, a publicly traded, Paris-based real estate company which owns, or has an interest in, shopping centers located in 16 countries in Europe.

We generate the majority of our lease income from retail tenants including consideration received from:

- fixed minimum lease consideration and fixed common area maintenance (CAM) reimbursements, and
- variable lease consideration primarily based on tenants' sales.

Revenues of our management company, after intercompany eliminations, consist primarily of management fees that are typically based upon the revenues of the property being managed.

We invest in real estate properties to maximize total financial return which includes both operating cash flows and capital appreciation. We seek growth in earnings, funds from operations, or FFO, and cash flows by enhancing the profitability and operation of our properties and investments. We seek to accomplish this growth through the following:

- attracting and retaining high quality tenants and utilizing economies of scale to reduce operating expenses,
- expanding and re-tenanting existing highly productive locations at competitive rental rates,
- selectively acquiring or increasing our interests in high quality real estate assets or portfolios of assets,
- generating consumer traffic in our retail properties through marketing initiatives and strategic corporate alliances, and
- selling selective non-core assets.

We also grow by generating supplemental revenues from the following activities:

- establishing our malls as leading market resource providers for retailers and other businesses and consumer-focused corporate alliances, including payment systems (such as handling fees relating to the sales of bank-issued prepaid cards), national marketing alliances, static and digital media initiatives, business development, sponsorship, and events,
- offering property operating services to our tenants and others, including waste handling and facility services, and the provision of energy services,
- selling or leasing land adjacent to our properties, commonly referred to as "outlots" or "outparcels," and
- generating interest income on cash deposits and investments in loans, including those made to related entities.

We focus on high quality real estate across the retail real estate spectrum. We expand or redevelop properties to enhance profitability and market share of existing assets when we believe the investment of our capital meets our risk-reward criteria. We selectively develop new properties in markets we believe are not adequately served by existing retail outlet properties.

We routinely review and evaluate acquisition opportunities based on their ability to enhance our portfolio. Our international strategy includes partnering with established real estate companies and financing international investments with local currency to minimize foreign exchange risk.

To support our growth, we employ a three-fold capital strategy:

- provide the capital necessary to fund growth,
- maintain sufficient flexibility to access capital in many forms, both public and private, and
- manage our overall financial structure in a fashion that preserves our investment grade credit ratings.

We consider FFO, net operating income, or NOI, portfolio NOI and comparable property NOI (NOI for properties owned and operated in both periods under comparison) to be key measures of operating performance that are not specifically defined by accounting principles generally accepted in the United States, or GAAP. We use these measures internally to evaluate the operating performance of our portfolio and provide a basis for comparison with other real estate companies. Reconciliations of these measures to the most comparable GAAP measure are included below in this discussion.

Results Overview

Diluted earnings per share and diluted earnings per unit decreased $0.39 during the first six months of 2019 to $3.38 from $3.77 for the same period last year. The decrease in diluted earnings per share and diluted earnings per unit was primarily attributable to:

- 2018 net gains primarily related to disposition activity of $144.9 million, or $0.41 per diluted share/unit,
- a non-cash investment gain of $35.6 million, or $0.10 per diluted share/unit, in 2018,
- decreased consolidated lease settlement activity in 2019 of $26.8 million, or $0.08 per diluted share/unit, and
- decreased income related to distributions from an international investment in 2018 of $18.6 million, or $0.05 per diluted share/unit, partially offset by
- improved operating performance and solid core business fundamentals in 2019 and the impact of our acquisition, development and expansion activity,
- a lawsuit settled with our former insurance broker in 2019 related to the significant flood damage sustained at Opry Mills in May 2010 of $68.0 million, or $0.19 per diluted share/unit,
- a gain in 2019 related to the disposition of our interest in a multi-family residential investment of $15.6 million, or $0.04 per diluted share/unit,
- our share of an early repayment charge and write-off of deferred debt issuance costs in 2018 related to refinancing at Aventura Mall, of $12.5 million, or $0.03 per diluted share/unit, and
- decreased interest expense in 2019 of $14.9 million, or $0.04 per diluted share/unit.

Solid core business fundamentals during the first six months of 2019 were primarily driven by strong leasing activity. Portfolio NOI grew 1.7% for the six month period in 2019 over the prior year period. Comparable property NOI grew 1.8% for our portfolio of U.S. Malls, Premium Outlets, and The Mills. Total sales per square foot, or psf, increased from $646 psf at June 30, 2018 to $669 psf, or 3.5%, at June 30, 2019, for our U.S. Malls and Premium Outlets. Average base minimum rent for U.S. Malls and Premium Outlets increased 1.3% to $54.52 psf as of June 30, 2019, from $53.84 psf as of June 30, 2018. Leasing spreads in our U.S. Malls and Premium Outlets were favorable as we were able to lease available square feet at higher rents, resulting in an open/close leasing spread (based on total tenant payments — base minimum rent plus common area maintenance) of $16.53 psf ($67.76 openings compared to $51.23 closings) as of June 30, 2019, representing a 32.3% increase. Ending occupancy for our U.S. Malls and Premium Outlets decreased 0.3% to 94.4% as of June 30, 2019, from 94.7% as of June 30, 2018.

Our effective overall borrowing rate at June 30, 2019 on our consolidated indebtedness increased two basis points to 3.34% as compared to 3.32% at June 30, 2018. This increase was primarily due to an increase in the effective overall borrowing rate on variable rate debt of 58 basis points (3.01% at June 30, 2019 as compared to 2.43% at June 30, 2018) combined with an increase in the effective overall borrowing rate on fixed rate debt of one basis point (3.37% at June 30, 2019 as compared to 3.36% at June 30, 2018), partially offset by a decrease in the amount of our variable rate debt. The weighted average years to maturity of our consolidated indebtedness was 6.0 years and 6.4 years at June 30, 2019 and December 31, 2018, respectively. Our financing activity for the six months ended June 30, 2019 included:

- Increasing our borrowings under the Operating Partnership's global unsecured commercial paper note program, or the Commercial Paper program, by $659.5 million through the issuance of U.S. dollar denominated notes.
- Repaying at maturity $600.0 million of senior unsecured notes with a fixed interest rate of 2.20% on February 1, 2019.

United States Portfolio Data

The portfolio data discussed in this overview includes the following key operating statistics: ending occupancy, average base minimum rent per square foot, and total sales per square foot for our domestic assets. We include acquired properties in this data beginning in the year of acquisition and remove disposed properties in the year of disposition. For comparative purposes, we separate the information related to The Mills from our other U.S. operations. We also do not include any information for properties located outside the United States.

The following table sets forth these key operating statistics for the combined U.S. Malls and Premium Outlets:

- properties that are consolidated in our consolidated financial statements,
- properties we account for under the equity method of accounting as joint ventures, and
- the foregoing two categories of properties on a total portfolio basis.

	June 30, 2019	June 30, 2018	%/Basis Points Change (1)
U.S. Malls and Premium Outlets:			
Ending Occupancy			
Consolidated	94.6%	94.8%	-20 bps
Unconsolidated	93.9%	94.6%	-70 bps
Total Portfolio	94.4%	94.7%	-30 bps
Average Base Minimum Rent per Square Foot			
Consolidated	$ 52.91	$ 52.14	1.5%
Unconsolidated	$ 58.74	$ 58.37	0.6%
Total Portfolio	$ 54.52	$ 53.84	1.3%
Total Sales per Square Foot			
Consolidated	$ 646	$ 630	2.6%
Unconsolidated	$ 733	$ 694	5.7%
Total Portfolio	$ 669	$ 646	3.5%
The Mills:			
Ending Occupancy	97.1%	98.3%	-120 bps
Average Base Minimum Rent per Square Foot	$ 32.87	$ 31.53	4.2%
Total Sales per Square Foot	$ 614	$ 604	1.7%

(1) Percentages may not recalculate due to rounding. Percentage and basis point changes are representative of the change from the comparable prior period.

Ending Occupancy Levels and Average Base Minimum Rent per Square Foot. Ending occupancy is the percentage of gross leasable area, or GLA, which is leased as of the last day of the reporting period. We include all company owned space except for mall anchors, mall majors, mall freestanding and mall outlots in the calculation. Base minimum rent per square foot is the average base minimum rent charge in effect for the reporting period for all tenants that would qualify to be included in ending occupancy.

Total Sales per Square Foot. Total sales include total reported retail tenant sales on a trailing 12-month basis at owned GLA (for mall stores with less than 10,000 square feet) in the U.S. Malls and The Mills and stores with less than 20,000 square feet in the Premium Outlets. Retail sales at owned GLA affect revenue and profitability levels because sales 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.) that tenants can afford to pay.

Current Leasing Activities

During the six months ended June 30, 2019, we signed 464 new leases and 496 renewal leases (excluding mall anchors and majors, new development, redevelopment and leases with terms of one year or less) with a fixed minimum rent across our

U.S. Malls and Premium Outlets portfolio, comprising approximately 3.0 million square feet, of which 2.3 million square feet related to consolidated properties. During the comparable period in 2018, we signed 507 new leases and 514 renewal leases with a fixed minimum rent, comprising approximately 3.4 million square feet, of which 2.4 million square feet related to consolidated properties. The average annual initial base minimum rent for new leases was $63.25 per square foot in 2019 and $54.79 per square foot in 2018 with an average tenant allowance on new leases of $52.12 per square foot and $49.58 per square foot, respectively.

Japan Data

The following are selected key operating statistics for our Premium Outlets in Japan. The information used to prepare these statistics has been supplied by the managing venture partner.

	June 30, 2019	June 30, 2018	%/Basis Points Change
Ending Occupancy	**99.9%**	99.5%	+40 bps
Total Sales per Square Foot	**¥ 108,598**	¥ 106,641	1.84%
Average Base Minimum Rent per Square Foot	**¥ 5,214**	¥ 5,095	2.34%

Results of Operations

The following acquisitions, dispositions and openings of consolidated properties affected our consolidated results in the comparative periods:

- On September 27, 2018, we opened Denver Premium Outlets, a 330,000 square foot center in Thornton (Denver), Colorado. We own a 100% interest in this center.
- On September 25, 2018, we acquired the remaining 50% interest in the previously unconsolidated The Outlets at Orange from our joint venture partner.
- During 2018, we disposed of two retail properties.

The following acquisitions, dispositions and openings of equity method investments and properties affected our income from unconsolidated entities in the comparative periods:

- On May 22, 2019, we opened Premium Outlets Querétaro, a 270,600 square foot center in Santiago de Querétaro, Mexico. We own a 50% interest in this center.
- During the fourth quarter of 2018, our interest in the 41 German department store properties owned through our investment in HBS Global Properties, or HBS, was sold.
- During 2018, we contributed our interest in the licensing venture of Aéropostale for additional interests in Authentic Brands Group LLC, or ABG. Our noncontrolling interest in ABG is 5.4%.
- On May 2, 2018, we and our partner opened Premium Outlet Collection Edmonton International Airport, a 424,000 square foot shopping center in Edmonton (Alberta), Canada. We have a 50% noncontrolling interest in this center.

For the purposes of the following comparison between the three months ended June 30, 2019 and 2018, the above transactions are referred to as the property transactions. In the following discussions of our results of operations, “comparable” refers to properties we owned or held interests in and operated in both of the periods under comparison.

Three months ended June 30, 2019 vs. Three months ended June 30, 2018

Lease income increased $39.9 million during the three months ended 2019, of which the property transactions accounted for $12.9 million of the increase. Comparable lease income increased $27.0 million, or 2.2%, due to increases in fixed minimum lease and CAM consideration recorded on a straight-line basis as well as variable lease consideration based on tenant sales.

Total other income decreased $27.4 million, primarily due to a $35.6 million non-cash gain recorded in 2018 associated with our contribution of our interest in the Aéropostale licensing venture for additional interests in ABG, partially offset by 2019 activity including a $5.8 million land sale gain as a result of land contributions for densification projects at two of our properties and a $3.2 million increase related to business interruption insurance proceeds received in connection with our two Puerto Rico properties as a result of hurricane damages.

Depreciation and amortization expense increased $32.4 million, of which the property transactions accounted for $3.7 million. The comparable properties increased $28.7 million primarily as a result of an increase in tenant allowance write-offs in 2019 and the acceleration of depreciation on a property upon initiation of a major redevelopment.

Home and regional office costs increased $14.2 million, primarily due to the suspension of leasing cost capitalization in 2019, as a result of the adoption of a new accounting pronouncement.

Other expense increased $7.3 million primarily related to an increase in legal fees and expenses.

Income and other taxes decreased $3.1 million due to reduced withholding and income taxes related to certain of our international investments.

Unrealized (losses) gains in fair value of equity instruments represent a mark-to-market loss of $12.3 million for the three months ended June 30, 2019 as compared to a gain of $9.7 million for the three months ended June 30, 2018.

During the three months ended June 30, 2019, we recorded a $2.7 million gain related to Klépierre's disposition of certain shopping centers. During the three months ended June 30, 2018, we recorded net gains of $9.7 million primarily related to a property insurance recovery of previously depreciated assets.

Simon's net income attributable to noncontrolling interests decreased $7.6 million due to a decrease in the net income of the Operating Partnership.

Six months ended June 30, 2019 vs. Six months ended June 30, 2018

Lease income increased $52.0 million during 2019, of which the property transactions accounted for $22.9 million of the increase. Comparable lease income increased $29.1 million, or 1.2%, due to increases in fixed minimum lease and CAM consideration recorded on a straight-line basis as well as variable lease consideration based on tenant sales.

Total other income increased $19.7 million, primarily due to a $68.0 million increase related to a lawsuit settled with our former insurance broker in 2019 related to the significant flood damage sustained at Opry Mills in May 2010, a $15.6 million gain on the sale of our interest in a multi-family residential property, a $7.6 million increase related to business interruption insurance proceeds received in connection with our two Puerto Rico properties as a result of hurricane damage and a $5.8 million land sale gain as a result of land contributions for densification projects at two of our properties, partially offset by a $35.6 million non-cash gain recorded in 2018 associated with our contribution of our interest in the Aéropostale licensing venture for additional interests in ABG, a $26.8 million decrease in lease settlement income and a $18.6 million decrease in income related to distributions from an international investment received in 2018.

Depreciation and amortization expense increased $44.1 million, of which the property transactions accounted for $6.5 million. The comparable properties increased $37.6 million primarily as a result of an increase in tenant allowance write-offs in 2019 and the acceleration of depreciation on a property upon initiation of a major redevelopment.

Home and regional office costs increased $25.6 million, primarily due to the suspension of leasing cost capitalization in 2019, as a result of the adoption of a new accounting pronouncement.

Unrealized (losses) gains in fair value of equity instruments represent a mark-to-market loss of $7.0 million for the six months ended June 30, 2019 as compared to a gain of $6.7 million for the six months ended June 30, 2018.

During 2019, we recorded a $2.7 million gain related to Klépierre's disposition of certain shopping centers. During 2018, we recorded net gains of $9.7 million related to a property insurance recovery of previously depreciated assets and $135.2 million primarily related to our disposition activity.

Simon's net income attributable to noncontrolling interests decreased $19.0 million due to a decrease in the net income of the Operating Partnership.

Liquidity and Capital Resources

Because we own long-lived income-producing assets, our financing strategy relies primarily on long-term fixed rate debt. Floating rate debt comprised only 3.5% of our total consolidated debt at June 30, 2019. We also enter into interest rate protection agreements from time to time to manage our interest rate risk. We derive most of our liquidity from positive net cash flow from operations and distributions of capital from unconsolidated entities that totaled $2.0 billion in the aggregate during the six months ended June 30, 2019. The Operating Partnership has a $4.0 billion unsecured revolving credit facility, or Credit Facility, and a $3.5 billion supplemental unsecured revolving credit facility, or Supplemental Facility, and together with the Credit Facility, the Credit Facilities. The Credit Facilities and the Commercial Paper program provide alternative sources of liquidity as our cash needs vary from time to time. Borrowing capacity under these sources may be increased as discussed further below.

Our balance of cash and cash equivalents decreased $34.6 million during the first six months of 2019 to $479.8 million as of June 30, 2019 as further discussed in "Cash Flows" below.

On June 30, 2019, we had an aggregate available borrowing capacity of approximately $5.9 billion under the Credit Facilities, net of outstanding borrowings of $125.0 million and amounts outstanding under the Commercial Paper program of $1.4 billion and letters of credit of $11.3 million. For the six months ended June 30, 2019, the maximum aggregate outstanding balance under the Credit Facilities was $130.7 million and the weighted average outstanding balance was $125.2 million. The weighted average interest rate was 3.25% for the six months ended June 30, 2019.

Simon has historically had access to public equity markets and the Operating Partnership has historically had access to private and public long and short-term unsecured debt markets and access to secured debt and private equity from institutional investors at the property level.

Our business model and Simon's status as a REIT require us to regularly access the debt markets to raise funds for acquisition, development and redevelopment activity, and to refinance maturing debt. Simon may also, from time to time, access the equity capital markets to accomplish our business objectives. We believe we have sufficient cash on hand and availability under the Credit Facilities and the Commercial Paper program to address our debt maturities and capital needs through 2019.

Cash Flows

Our net cash flow from operating activities and distributions of capital from unconsolidated entities for the six months ended June 30, 2019 totaled $2.0 billion. In addition, we had net proceeds from our debt financing and repayment activities of $28.7 million in 2019. These activities are further discussed below under "Financing and Debt." During the first six months of 2019, we also:

- paid stockholder dividends and unitholder distributions totaling approximately $1.5 billion and preferred unit distributions totaling $2.6 million,
- funded consolidated capital expenditures of $403.3 million (including development and other costs of $51.5 million, redevelopment and expansion costs of $228.8 million, and tenant costs and other operational capital expenditures of $123.0 million),
- funded investments in unconsolidated entities of $23.9 million,
- received insurance proceeds for property restoration, remediation, and business interruption from hurricane damages in Puerto Rico of $9.9 million, and
- funded the repurchase of $181.3 million of Simon's common stock.

In general, we anticipate that cash generated from operations will be sufficient to meet operating expenses, monthly debt service, recurring capital expenditures, and dividends to stockholders and/or distributions to partners necessary to maintain Simon's REIT qualification on a long-term basis. In addition, we expect to be able to generate or obtain capital for nonrecurring capital expenditures, such as acquisitions, major building redevelopments and expansions, as well as for scheduled principal maturities on outstanding indebtedness, from:

- excess cash generated from operating performance and working capital reserves,
- borrowings on the Credit Facilities and Commercial Paper program,
- additional secured or unsecured debt financing, or
- additional equity raised in the public or private markets.

We expect to generate positive cash flow from operations in 2019, and we consider these projected cash flows in our sources and uses of cash. These cash flows are principally derived from rents paid by our tenants. A significant deterioration in projected cash flows from operations could cause us to increase our reliance on available funds from the Credit Facilities and Commercial Paper program, curtail planned capital expenditures, or seek other additional sources of financing as discussed above.

Financing and Debt

Unsecured Debt

At June 30, 2019, our unsecured debt consisted of $15.0 billion of senior unsecured notes of the Operating Partnership, $125.0 million outstanding under the Credit Facility, and $1.4 billion outstanding under the Commercial Paper program.

On June 30, 2019, we had an aggregate available borrowing capacity of $5.9 billion under the Credit Facilities. The maximum aggregate outstanding balance under the Credit Facilities during the six months ended June 30, 2019 was $130.7 million and the weighted average outstanding balance was $125.2 million. Letters of credit of $11.3 million were outstanding under the Credit Facilities as of June 30, 2019.

The Credit Facility's initial borrowing capacity of $4.0 billion may be increased to $5.0 billion during its term and provides for borrowings denominated in U.S. dollars, Euro, Yen, Sterling, Canadian dollars and Australian dollars. Borrowings in currencies other than the U.S. dollar are limited to 95% of the maximum revolving credit amount, as defined. The initial maturity date of the Credit Facility is June 30, 2021 and can be extended for an additional year to June 30, 2022 at our sole option, subject to our continued compliance with the terms thereof. The base interest rate on the Credit Facility is LIBOR plus 77.5 basis points with a facility fee of 10 basis points.

The Supplemental Facility's initial borrowing capacity of $3.5 billion may be increased to $4.5 billion during its term and provides for borrowings denominated in U.S. dollars, Euro, Yen, Sterling, Canadian dollars and Australian dollars. The initial maturity date of the Supplemental Facility was extended to June 30, 2022 and can be extended for an additional year to June 30, 2023 at our sole option, subject to our continued compliance with the terms thereof. The base interest rate on the Supplemental Facility is LIBOR plus 77.5 basis points with a facility fee of 10 basis points.

The Operating Partnership also has available a Commercial Paper program of $2.0 billion, or the non-U.S. dollar equivalent thereof. The Operating Partnership may issue unsecured commercial paper notes, denominated in U.S. dollars, Euro and other currencies. Notes issued in non-U.S. currencies may be issued by one or more subsidiaries of the Operating Partnership and are guaranteed by the Operating Partnership. Notes will be sold under customary terms in the U.S. and Euro commercial paper note markets and rank (either by themselves or as a result of the guarantee described above) pari passu with the Operating Partnership's other unsecured senior indebtedness. The Commercial Paper program is supported by the Credit Facilities and if necessary or appropriate, we may make one or more draws under either of the Credit Facilities to pay amounts outstanding from time to time on the Commercial Paper program. On June 30, 2019, we had $1.4 billion outstanding under the Commercial Paper program, fully comprised of U.S. dollar-denominated notes with a weighted average interest rate of 2.47%. These borrowings have a weighted average maturity date of September 19, 2019 and reduce amounts otherwise available under the Credit Facilities.

On February 1, 2019, the Operating Partnership repaid at maturity $600.0 million of senior unsecured notes with a fixed interest rate of 2.20%.

Mortgage Debt

Total mortgage indebtedness was $6.8 billion at June 30, 2019 and December 31, 2018.

Covenants

Our unsecured debt agreements contain financial covenants and other non-financial covenants. If we were to fail to comply with these covenants, after the expiration of the applicable cure periods, the debt maturity could be accelerated or other remedies could be sought by the lender, including adjustments to the applicable interest rate. As of June 30, 2019, we were in compliance with all covenants of our unsecured debt.

At June 30, 2019, we or our subsidiaries were the borrowers under 45 non-recourse mortgage notes secured by mortgages on 48 properties, including two separate pools of cross-defaulted and cross-collateralized mortgages encumbering a total of five properties. Under these cross-default provisions, a default under any mortgage included in the cross-defaulted pool may constitute a default under all mortgages within that pool and may lead to acceleration of the indebtedness due on each property within the pool. Certain of our secured debt instruments contain financial and other non-financial covenants which are specific to the properties that serve as collateral for that debt. If the applicable borrower under these non-recourse mortgage notes were to fail to comply with these covenants, the lender could accelerate the debt and enforce its rights against their collateral. At June 30, 2019, the applicable borrowers under these non-recourse mortgage notes were in compliance with all covenants where non-compliance could individually or in the aggregate, giving effect to applicable cross-default provisions, have a material adverse effect on our financial condition, liquidity or results of operations.

Summary of Financing

Our consolidated debt, adjusted to reflect outstanding derivative instruments, and the effective weighted average interest rates as of June 30, 2019 and December 31, 2018, consisted of the following (dollars in thousands):

Debt Subject to	Adjusted Balance as of June 30, 2019	Effective Weighted Average Interest Rate(1)	Adjusted Balance as of December 31, 2018	Effective Weighted Average Interest Rate(1)
Fixed Rate	**$ 22,481,756**	**3.37%**	$ 22,461,191	3.37%
Variable Rate	**842,923**	**3.01%**	844,344	3.17%
	$ 23,324,679	**3.34%**	$ 23,305,535	3.35%

(1) Effective weighted average interest rate excludes the impact of net discounts and debt issuance costs.

Contractual Obligations

There have been no material changes to our outstanding capital expenditure and lease commitments previously disclosed in the combined 2018 Annual Report on Form 10-K of Simon and the Operating Partnership.

In regards to long-term debt arrangements, the following table summarizes the material aspects of these future obligations on our consolidated indebtedness as of June 30, 2019, for the remainder of 2019 and subsequent years thereafter (dollars in thousands), assuming the obligations remain outstanding through initial maturities, including applicable exercise of available extension options:

	2019	2020 - 2021	2022 - 2023	After 2023	Total
Long Term Debt (1) (2)	$ 1,471,934	$ 5,069,689	$ 5,398,192	$ 11,271,833	$ 23,211,648
Interest Payments (3)	385,368	1,397,652	984,439	2,736,976	5,504,435

(1) Represents principal maturities only and, therefore, excludes net discounts and debt issuance costs.

(2) The amount due in 2019 includes $1.4 billion in Global Commercial Paper – USD.

(3) Variable rate interest payments are estimated based on the LIBOR rate at June 30, 2019.

Off-Balance Sheet Arrangements

Our off-balance sheet arrangements consist primarily of our investments in joint ventures which are common in the real estate industry and are described in note 6 of the condensed notes to our consolidated financial statements. Our joint ventures typically fund their cash needs through secured debt financings obtained by and in the name of the joint venture entity. The joint venture debt is secured by a first mortgage, is without recourse to the joint venture partners, and does not represent a liability of the partners, except to the extent the partners or their affiliates expressly guarantee the joint venture debt. As of June 30, 2019, the Operating Partnership guaranteed joint venture-related mortgage indebtedness of $216.1 million (of which we have a right of recovery from our joint venture partners of $10.8 million as of June 30, 2019). Mortgages guaranteed by the Operating Partnership are secured by the property of the joint venture which could be sold in order to satisfy the outstanding obligation and which has an estimated fair value in excess of the guaranteed amount. We may elect to fund cash needs of a joint venture through equity contributions (generally on a basis proportionate to our ownership interests), advances or partner loans, although such fundings are not typically required contractually or otherwise.

Hurricane Impacts

During the third quarter of 2017, our two wholly-owned properties located in Puerto Rico experienced property damage and business interruption as a result of Hurricane Maria. Since the date of the loss, we have received $68.3 million of insurance proceeds from third-party carriers related to the two properties located in Puerto Rico, of which $42.7 million was used for property restoration and remediation and to reduce the insurance recovery receivable. During the three and six months ended June 30, 2019, we recorded $3.2 million and $7.6 million, respectively, as business interruption proceeds in other income in the accompanying consolidated statements of operations and comprehensive income.

Acquisitions and Dispositions

Buy-sell, marketing rights, and other exit mechanisms are common in real estate partnership agreements. Most of our partners are institutional investors who have a history of direct investment in retail real estate. We and our partners in our joint venture properties may initiate these provisions (subject to any applicable lock up or similar restrictions). If we determine it is in our stockholders' best interests for us to purchase the joint venture interest and we believe we have adequate liquidity to execute the purchase without hindering our cash flows, then we may initiate these provisions or elect to buy our partner's interest. If we decide to sell any of our joint venture interests, we expect to use the net proceeds to reduce outstanding indebtedness or to reinvest in development, redevelopment, or expansion opportunities.

Acquisitions. On September 25, 2018, we acquired the remaining 50% interest in The Outlets at Orange from our joint venture partner. The Operating Partnership issued 475,183 units, or approximately $84.1 million, as consideration for the acquisition. The property is subject to a $215.0 million 4.22% fixed rate mortgage.

Dispositions. We may continue to pursue the disposition of properties that no longer meet our strategic criteria or that are not a primary retail venue within their trade area.

During the first six months of 2019, we disposed of our interests in one multi-family residential investment. Our share of the gross proceeds on this transaction was $17.3 million. Our share of the gain of $15.6 million is included in other income in the accompanying consolidated statement of operation and comprehensive income. As discussed in note 6 of the condensed notes to our consolidated financial statements, Klépierre also disposed of its interest in certain shopping centers resulting in a gain, of which our share was $2.7 million.

During the first six months of 2018, we recorded net gains of $144.9 million primarily related to our disposition activity which included the foreclosure of a consolidated property in satisfaction of its $200 million non-recourse mortgage. As discussed in note 6 of the condensed notes to our consolidated financial statements, Klépierre also disposed of its interests in certain shopping centers resulting in a gain, of which our share was $13.4 million.

Development Activity

We routinely incur costs related to construction for significant redevelopment and expansion projects at our properties. Redevelopment and expansion projects, including the addition of anchors, big box tenants, restaurants, as well as office space and residential uses are underway at properties in the United States, Canada, Europe and Asia.

Our share of the costs of all new development, redevelopment and expansion projects currently under construction is approximately $1.7 billion. We expect to fund these capital projects with cash flows from operations. We seek a stabilized return on invested capital in the range of 7-10% for all of our new development, expansion and redevelopment projects.

International Development Activity. We typically reinvest net cash flow from our international joint ventures to fund future international development activity. We believe this strategy mitigates some of the risk of our initial investment and our exposure to changes in foreign currencies. We have also funded most of our foreign investments with local currency-denominated borrowings that act as a natural hedge against fluctuations in exchange rates. Our consolidated net income exposure to changes in the volatility of the Euro, Yen, Peso, Won, and other foreign currencies is not material. We expect our share of international development costs for 2019 to be approximately $232 million, primarily funded through reinvested joint venture cash flow and construction loans.

The following table describes these new development and expansion projects as well as our share of the estimated total cost as of June 30, 2019 (in millions):

Property	Location	Gross Leasable Area (sqft)	Our Ownership Percentage	Our Share of Projected Net Cost (in Local Currency)		Our Share of Projected Net Cost (in USD) (1)		Projected Opening Date
New Development Projects:								
Premium Outlets Querétaro	Querétaro, Mexico	270,600	50%	MXN	441.7	$	23.0	Opened May - 2019
Málaga Designer Outlet	Málaga, Spain	191,000	46%	EUR	42.9	$	48.8	Oct. - 2019
Siam Premium Outlets Bangkok	Bangkok, Thailand	251,000	50%	THB	1,607	$	52.4	Feb. - 2020
West Midlands Designer Outlet	Cannock (West Midlands), England	197,000	20%	GBP	26.5	$	33.6	Oct. - 2020
Normandy Designer Outlet	Vernon (Normandy), France	229,000	81%	EUR	175.2	$	199.2	Jun. - 2021
Expansions:								
Vancouver Designer Outlet Phase 2	Richmond (British Columbia), Canada	84,000	46%	CAD	26.9	$	20.6	Aug. - 2019
Paju Premium Outlets Phase 3	Gyeonggi Province, South Korea	116,000	50%	KRW	26,905	$	23.3	Aug. - 2019
Ashford Designer Outlet Phase 2	Ashford, England	98,000	46%	GBP	43.0	$	54.7	Oct. - 2019
Noventa di Piave Designer Outlet Phase 5	Noventa di Piave (Venice), Italy	29,000	92%	EUR	21.4	$	24.4	Oct. - 2019
Tosu Premium Outlets Phase 4	Tosu City, Japan	38,000	40%	JPY	964	$	8.9	Nov. - 2019
Gotemba Premium Outlets Phase 4	Gotemba, Japan	178,000	40%	JPY	7,476	$	69.3	Apr. - 2020
Rinku Premium Outlets Phase 5	Izumisano (Osaka), Japan	110,000	40%	JPY	3,219	$	29.8	Jul. - 2020

(1) USD equivalent based upon June 30, 2019 foreign currency exchange rates.

Dividends, Distributions and Stock Repurchase Program

Simon paid a common stock dividend of $2.05 per share in the second quarter of 2019 and $4.10 per share for the six months ended June 30, 2019. The Operating Partnership paid distributions per unit for the same amounts. We paid dividends of $1.95 and $3.90 per share for the three and six months ended June 30, 2018. The Operating Partnership paid distributions per unit for the same amounts. Simon's Board of Directors declared a quarterly cash dividend for the third quarter of 2019 of $2.10 per share of common stock payable on August 30, 2019 to stockholders of record on August 16, 2019. The distribution rate on units is equal to the dividend rate on common stock. In order to maintain its status as a REIT, Simon must pay a minimum amount of dividends. Simon's future dividends and the Operating Partnership's future distributions will be determined by Simon's Board of Directors, in its sole discretion, based on actual and projected financial condition, liquidity and results of operations, cash available for dividends and limited partner distributions, cash reserves as deemed necessary for capital and operating expenditures, financing covenants, if any, and the amount required to maintain Simon's status as a REIT.

On February 13, 2017, Simon's Board of Directors authorized a two-year extension of the previously authorized $2.0 billion common stock repurchase plan through March 31, 2019. On February 11, 2019, Simon's Board of Directors authorized a new common stock repurchase plan. Under the new plan, Simon may repurchase up to $2.0 billion of its common stock during the two-year period ending February 11, 2021 in the open market or in privately negotiated transactions as market conditions warrant. During the six months ended June 30, 2019, Simon purchased 1,092,957 shares at an average price of $165.84 per share, of which 46,377 shares at an average price of $164.49 were purchased as part of the previous program. In July 2019, Simon purchased 633,780 shares at an average price of $157.78 per share. During the six months ended June 30, 2018, Simon purchased 1,988,247 shares at an average price of $154.56 per share as part of the previous program. As Simon repurchases shares under these programs, the Operating Partnership repurchases an equal number of units from Simon.

Forward-Looking Statements

Certain statements made in this section or elsewhere in this Quarterly Report on Form 10-Q may be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained, and it is possible that our actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks, uncertainties and other factors. Such factors include, but are not limited to: changes in economic and market conditions that may adversely affect the general retail environment; the potential loss of anchor stores or major tenants; the inability to collect rent due to the bankruptcy or insolvency of tenants or otherwise; decreases in market rental rates; the intensely competitive market environment in the retail industry; the inability to lease newly developed properties and renew leases and relet space at existing properties on favorable terms; risks related to international activities, including, without limitation, the impact, if any, of the United Kingdom's exit from the European Union; changes to applicable laws or regulations or the interpretation thereof; risks associated with the acquisition, development, redevelopment, expansion, leasing and management of properties; general risks related to real estate investments, including the illiquidity of real estate investments; the impact of our substantial indebtedness on our future operations; any disruption in the financial markets that may adversely affect our ability to access capital for growth and satisfy our ongoing debt service requirements; any change in our credit rating; changes in market rates of interest and foreign exchange rates for foreign currencies; changes in the value of our investments in foreign entities; our ability to hedge interest rate and currency risk; our continued ability to maintain our status as a REIT; changes in tax laws or regulations that result in adverse tax consequences; risks relating to our joint venture properties; environmental liabilities; changes in insurance costs, the availability of comprehensive insurance coverage; security breaches that could compromise our information technology or infrastructure; natural disasters; the potential for terrorist activities; and the loss of key management personnel. We discussed these and other risks and uncertainties under the heading "Risk Factors" in the combined 2018 Annual Report on Form 10-K of Simon and the Operating Partnership. We may update that discussion in subsequent other periodic reports, but, except as required by law, we undertake no duty or obligation to update or revise these forward-looking statements, whether as a result of new information, future developments, or otherwise.

Non-GAAP Financial Measures

Industry practice is to evaluate real estate properties in part based on performance measures such as FFO, diluted FFO per share, NOI, portfolio NOI and comparable property NOI. We believe that these non-GAAP measures are helpful to investors because they are widely recognized measures of the performance of REITs and provide a relevant basis for comparison among REITs. We also use these measures internally to measure the operating performance of our portfolio.

We determine FFO based upon the definition set forth by the National Association of Real Estate Investment Trusts ("NAREIT") Funds From Operations White Paper – 2018 Restatement. Our main business includes acquiring, owning, operating, developing, and redeveloping real estate in conjunction with the rental of real estate. Gain and losses of assets incidental to our main business are included in FFO. We determine FFO to be our share of consolidated net income computed in accordance with GAAP:

- excluding real estate related depreciation and amortization,
- excluding gains and losses from extraordinary items,
- excluding gains and losses from the sale, disposal or property insurance recoveries of, or any impairment related to, depreciable retail operating properties,
- plus the allocable portion of FFO of unconsolidated joint ventures based upon economic ownership interest, and
- all determined on a consistent basis in accordance with GAAP.

You should understand that our computations of these non-GAAP measures might not be comparable to similar measures reported by other REITs and that these non-GAAP measures:

- do not represent cash flow from operations as defined by GAAP,
- should not be considered as an alternative to net income determined in accordance with GAAP as a measure of operating performance, and
- are not an alternative to cash flows as a measure of liquidity.

The following schedule reconciles total FFO to consolidated net income and, for Simon, diluted net income per share to diluted FFO per share.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
	(in thousands)		(in thousands)	
Funds from Operations	**$ 1,064,406**	$ 1,060,564	**$ 2,146,326**	$ 2,086,902
Change in FFO from prior period	**0.4 %**	19.9 %	**2.8 %**	11.6 %
Consolidated Net Income	**$ 572,102**	$ 631,414	**$ 1,204,048**	$ 1,346,938
Adjustments to Arrive at FFO:				
Depreciation and amortization from consolidated properties	**350,045**	317,364	**675,983**	631,370
Our share of depreciation and amortization from unconsolidated entities, including Klépierre and HBS	**139,271**	137,279	**273,902**	272,204
Gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	**(2,681)**	(9,672)	**(2,681)**	(144,949)
Unrealized losses (gains) in fair value of equity instruments	**12,317**	(9,692)	**7,000**	(6,664)
Net (income) loss attributable to noncontrolling interest holders in properties	**(400)**	(279)	**518**	(186)
Noncontrolling interests portion of depreciation and amortization	**(4,935)**	(4,537)	**(9,818)**	(9,185)
Preferred distributions and dividends	**(1,313)**	(1,313)	**(2,626)**	(2,626)
FFO of the Operating Partnership	**$ 1,064,406**	$ 1,060,564	**$ 2,146,326**	$ 2,086,902
FFO allocable to limited partners	**140,077**	139,426	**282,396**	273,985
Dilutive FFO allocable to common stockholders	**$ 924,329**	$ 921,138	**$ 1,863,930**	$ 1,812,917
Diluted net income per share to diluted FFO per share reconciliation:				
Diluted net income per share	**$ 1.60**	$ 1.77	**$ 3.38**	$ 3.77
Depreciation and amortization from consolidated properties and our share of depreciation and amortization from unconsolidated entities, including Klépierre and HBS, net of noncontrolling interests portion of depreciation and amortization	**1.37**	1.27	**2.65**	2.51
Gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	**(0.01)**	(0.03)	**(0.01)**	(0.41)
Unrealized losses (gains) in fair value of equity instruments	**0.03**	(0.03)	**0.02**	(0.02)
Diluted FFO per share	**$ 2.99**	$ 2.98	**$ 6.04**	$ 5.85
Basic and Diluted weighted average shares outstanding	**308,709**	309,355	**308,843**	309,966
Weighted average limited partnership units outstanding	**46,783**	46,827	**46,791**	46,845
Basic and Diluted weighted average shares and units outstanding	**355,492**	356,182	**355,634**	356,811

The following schedule reconciles consolidated net income to NOI and sets forth the computations of portfolio NOI and comparable property NOI.

	For the Three Months Ended June 30, 2019	For the Three Months Ended June 30, 2018	For the Six Months Ended June 30, 2019	For the Six Months Ended June 30, 2018
	(in thousands)		(in thousands)	
Reconciliation of NOI of consolidated entities:				
Consolidated Net Income	**$ 572,102**	$ 631,414	**$ 1,204,048**	$ 1,346,938
Income and other taxes	**7,010**	10,137	**17,112**	16,357
Interest expense	**198,425**	206,624	**397,160**	412,115
Income from unconsolidated entities	**(106,542)**	(100,828)	**(196,986)**	(190,854)
Unrealized losses (gains) in fair value of equity instruments	**12,317**	(9,692)	**7,000**	(6,664)
Gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	**(2,681)**	(9,672)	**(2,681)**	(144,949)
Operating Income Before Other Items	**680,631**	727,983	**1,425,653**	1,432,943
Depreciation and amortization	**352,606**	320,198	**681,249**	637,134
Home and regional office costs	**46,467**	32,316	**99,027**	73,380
General and administrative	**10,359**	10,913	**19,496**	23,542
NOI of consolidated entities	**$ 1,090,063**	$ 1,091,410	**$ 2,225,425**	$ 2,166,999
Reconciliation of NOI of unconsolidated entities:				
Net Income	**$ 216,845**	$ 197,378	**$ 437,603**	$ 408,612
Interest expense	**157,927**	190,751	**313,944**	341,684
Gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities, net	**—**	(25,792)	**(21,587)**	(25,792)
Operating Income Before Other Items	**374,772**	362,337	**729,960**	724,504
Depreciation and amortization	**170,407**	166,299	**340,664**	326,134
NOI of unconsolidated entities	**$ 545,179**	$ 528,636	**$ 1,070,624**	$ 1,050,638
Add: Our share of NOI from Klépierre, HBS, and other corporate investments	**71,121**	78,962	**125,796**	139,019
Combined NOI	**$ 1,706,363**	$ 1,699,008	**$ 3,421,845**	$ 3,356,656
Less: Corporate and Other NOI Sources (1)	**95,723**	113,940	**261,243**	248,191
Portfolio NOI	**$ 1,610,640**	$ 1,585,068	**$ 3,160,602**	$ 3,108,465
Portfolio NOI Growth	**1.6 %**		**1.7 %**	
Less: Our share of NOI from Klépierre, HBS, and other corporate investments	**71,121**	76,989	**125,796**	129,435
Less: International Properties (2)	**117,749**	112,631	**232,245**	223,714
Less: NOI from New Development, Redevelopment, Expansion and Acquisitions (3)	**48,684**	49,929	**89,962**	91,178
Comparable Property NOI (4)	**$ 1,373,086**	$ 1,345,519	**$ 2,712,599**	$ 2,664,138
Comparable Property NOI Growth	**2.0 %**		**1.8 %**	

(1) Includes income components excluded from portfolio NOI and comparable property NOI (domestic lease termination income, interest income, land sale gains, straight line lease income, above/below market lease adjustments), gains on sale of equity instruments, the results of our joint venture with Seritage, Northgate, Simon management company revenues, and other assets.

(2) Includes International Premium Outlets (except for Canadian International Premium Outlets included in comparable property NOI) and International Designer Outlets.

(3) Includes total property NOI for properties undergoing redevelopment as well as incremental NOI for expansion properties not yet included in comparable properties.

(4) Includes Malls, Premium Outlets, The Mills and Lifestyle Centers opened and operating as comparable for the period.

Item 3. Qualitative and Quantitative Disclosures About Market Risk

Sensitivity Analysis

We disclosed a qualitative and quantitative analysis regarding market risk in Management's Discussion and Analysis of Financial Condition and Results of Operations included in the combined 2018 Annual Report on Form 10-K of Simon and the Operating Partnership. There have been no material changes in the assumptions used or results obtained regarding market risk since December 31, 2018.

Item 4. Controls and Procedures

Simon

Management's Evaluation of Disclosure Controls and Procedures

Simon maintains disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's, or the SEC's, rules and forms, and that such information is accumulated and communicated to Simon's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. Because of inherent limitations, disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of disclosure controls and procedures are met.

Our management, with the participation of Simon's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of Simon's disclosure controls and procedures as of June 30, 2019. Based on that evaluation, Simon's Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2019, Simon's disclosure controls and procedures were effective at a reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There have not been any changes in Simon's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the quarter ended June 30, 2019 that have materially affected, or are reasonably likely to materially affect, Simon's internal control over financial reporting.

The Operating Partnership

Management's Evaluation of Disclosure Controls and Procedures

The Operating Partnership maintains disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) that are designed to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including Simon's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. Because of inherent limitations, disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of disclosure controls and procedures are met.

Our management, with the participation of Simon's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of the Operating Partnership's disclosure controls and procedures as of June 30, 2019. Based on that evaluation, Simon's Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2019, the Operating Partnership's disclosure controls and procedures were effective at a reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There have not been any changes in the Operating Partnership's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the quarter ended June 30, 2019 that have materially affected, or are reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting.

Part II — Other Information

Item 1. Legal Proceedings

We are involved from time-to-time in various legal and regulatory proceedings that arise in the ordinary course of our business, including, but not limited to, commercial disputes, environmental matters, and litigation in connection with transactions such as acquisitions and divestitures. We believe that our current proceedings will not have a material adverse effect on our financial condition, liquidity or results of operations. We record a liability when a loss is considered probable, and the amount can be reasonably estimated.

Item 1A. Risk Factors

Through the period covered by this report, there were no material changes to the Risk Factors disclosed under Item 1A. Risk Factors in Part I of the combined 2018 Annual Report on Form 10-K of Simon and the Operating Partnership.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Simon

Unregistered Sales of Equity Securities

There were no unregistered sales of equity securities made by Simon during the quarter ended June 30, 2019.

Issuer Purchases of Equity Securities

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans	Approximate value of shares that may yet be purchased under plans (2)
April 1, 2019 - April 30, 2019	14,853 (1)	$ 182.21	—	$ 2,000,000,000
May 1, 2019 - May 31, 2019	359,765	$ 172.39	359,765	$ 1,937,979,447
June 1, 2019 - June 30, 2019	686,815	$ 162.50	686,815	$ 1,826,370,806
	1,061,433	$ 166.13	1,046,580	

(1) Total number of shares purchased represents shares withheld by us and transferred to treasury shares in connection with employee payroll tax withholding upon the vesting of certain restricted stock awards.

(2) On February 13, 2017, Simon's Board of Directors authorized a two-year extension of the previously authorized $2.0 billion common stock repurchase plan through March 31, 2019 and on February 11, 2019, Simon's Board of Directors authorized a new common stock repurchase plan. Under the new plan, Simon may repurchase up to $2.0 billion of its common stock during the two-year period ending February 11, 2021 in the open market or in privately negotiated transactions. As Simon repurchases shares under these plans, the Operating Partnership repurchases an equal number of units from Simon.

The Operating Partnership

Unregistered Sales of Equity Securities

There were no unregistered sales of equity securities made by the Operating Partnership during the quarter ended June 30, 2019.

Issuer Purchases of Equity Securities

Except in connection with Simon's share purchases, there were no purchases of equity securities made by the Operating Partnership during the quarter ended June 30, 2019.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the quarter covered by this report, the Audit Committee of Simon's Board of Directors approved certain audit, audit-related, and non-audit tax compliance and tax consulting services to be provided by Ernst & Young LLP, our independent registered public accounting firm. This disclosure is made pursuant to Section 10A(i)(2) of the Exchange Act as added by Section 202 of the Sarbanes-Oxley Act of 2002.

Item 6. Exhibits

Exhibit Number	Exhibit Descriptions
10.1*	Simon Property Group, L.P. 2019 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of Simon Property Group, Inc.'s Current Report on Form 8-K filed May 8, 2019).
10.2*	Form of Simon Property Group Series 2019 LTIP Unit Award Agreement.
10.3*	Form of Certificate of Designation of Series 2019 LTIP Units of Simon Property Group, L.P.
31.1	Simon Property Group, Inc. — Certification by the Chief Executive Officer pursuant to Rule 13a14(a)/15d14(a) of the Exchange Act, as adopted pursuant to Section 302 of the SarbanesOxley Act of 2002.
31.2	Simon Property Group, Inc. — Certification by the Chief Financial Officer pursuant to Rule 13a14(a)/15d14(a) of the Exchange Act, as adopted pursuant to Section 302 of the SarbanesOxley Act of 2002.
31.3	Simon Property Group, L.P. — Certification by the Chief Executive Officer pursuant to Rule 13a14(a)/15d14(a) of the Exchange Act, as adopted pursuant to Section 302 of the SarbanesOxley Act of 2002.
31.4	Simon Property Group, L.P. — Certification by the Chief Financial Officer pursuant to Rule 13a14(a)/15d14(a) of the Exchange Act, as adopted pursuant to Section 302 of the SarbanesOxley Act of 2002.
32.1	Simon Property Group, Inc. — Certification by the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the SarbanesOxley Act of 2002.
32.2	Simon Property Group, L.P. — Certification by the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the SarbanesOxley Act of 2002.
101.INS	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SIMON PROPERTY GROUP, INC.

/s/ Brian J. McDade

Brian J. McDade
Executive Vice President, Chief Financial
Officer and Treasurer

Date: August 7, 2019

SIMON PROPERTY GROUP, L.P.

/s/ Brian J. McDade

Brian J. McDade
Executive Vice President, Chief Financial Officer and
Treasurer of Simon Property Group, Inc., General Partner

Date: August 7, 2019

EXHIBIT 10.2

FORM OF

SIMON PROPERTY GROUP
SERIES 2019 LTIP UNIT AWARD AGREEMENT

This Series 2019 LTIP Unit Award Agreement (" Agreement") made as of the date set forth below, among Simon Property Group, Inc., a Delaware corporation (the "Company"), its subsidiary, Simon Property Group, L.P., a Delaware limited partnership and the entity through which the Company conducts substantially all of its operations (the "Partnership"), and the person identified below as the grantee (the "Grantee").

Recitals

A. The Grantee is an employee of the Company or one of its affiliates and provides services to the Partnership.

B. On February 28, 2019, the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") recommended to the Board the adoption of the Partnership's 2019 Stock Incentive Plan (the "2019 Plan"), subject to approval by the shareholders of the Company at the Company's 2019 Annual Meeting of Shareholders (the "2019 Annual Meeting") and approved this award (this "Award") subject to approval of the 2019 Plan by the shareholders of the Company at the 2019 Annual Meeting.

C. On May 8, 2019, at the 2019 Annual Meeting, the shareholders of the Company approved the 2019 Plan.

D. This Award is made pursuant to the 2019 Plan and the Eighth Amended and Restated Agreement of Limited Partnership of the Partnership, as amended, restated and supplemented from time to time hereafter (the "Partnership Agreement"), to provide officers of the Company or its affiliates, including the Grantee, in connection with their employment, with the incentive compensation described in this Agreement, and thereby provide additional incentive for them to promote the progress and success of the business of the Company and its affiliates, including the Partnership.

NOW, THEREFORE, the Company, the Partnership and the Grantee agree as follows:

1. Administration. This Award shall be administered by the Committee which has the powers and authority as set forth in the Plan. Should there be any conflict between the terms of this Agreement and the Certificate of Designation, on the one hand, and the Plan and the Partnership Agreement, on the other hand, the terms of this Agreement and the Certificate of Designation shall prevail.

2. Definitions. Capitalized terms used herein without definitions shall have the meanings given to those terms in the Plan. In addition, as used herein, including in the Exhibits and Schedules:

"Award LTIP Units" means the number of LTIP Units granted by this Agreement, the number of which granted is set forth on Schedule A.

"Baseline Value" means $167.99, the per share closing price of the Common Stock reported by The New York Stock Exchange for the last trading date preceding January 1, 2019. For purposes of the Index measure used in determining the attainment of the Relative TSR Goal, the baseline value shall also be the ending value of the Index as of the last day of the year prior to the Effective Date.

"CAGR" means compound annual growth rate.

"Cause" shall have the meaning specified in the Grantee's Employment Agreement or, in the case the Grantee is not employed pursuant to an employment agreement or is party to an Employment Agreement that does not define the term, "Cause" shall mean any of the following acts by the Grantee: (i) embezzlement or misappropriation of corporate funds, (ii) any acts resulting in a conviction for, or plea of guilty or *nolo contendere* to, a charge of commission of a felony, (iii) misconduct resulting in injury to the Company or any affiliate, (iv) activities harmful to the reputation of the Company or any affiliate, (v) a material violation of Company or affiliate operating guidelines or policies, (vi) willful refusal to perform, or substantial disregard of, the duties properly assigned to the Grantee, or (vi) a violation of any contractual, statutory or common law duty of loyalty to the Company or any affiliate.

"Certificate of Designation" means the Certificate of Designation of Series 2019 LTIP Units of the Partnership approved by the Company as the general partner of the Partnership.

"Change of Control" means:

(i) Any "person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than the Company, any of its subsidiaries, or the estate of Melvin Simon, Herbert Simon or David Simon (the "Simons"), or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Company or any of its subsidiaries), together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Exchange Act) of such person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 25% or more of the Company's then outstanding voting securities entitled to vote generally in the election of directors; provided that for purposes of determining the "beneficial ownership" (as such term is defined in Rule 13d-3 under the Exchange Act) of any "group" of which the Simons or any of their affiliates or associates is a member (each such entity or individual, a "Related Party"), there shall not be attributed to the beneficial ownership of such group any shares beneficially owned by any Related Party;

(ii) Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board;

(iii) The consummation of a reorganization, merger or consolidation in which the Company and/or the Partnership is a party, or of the sale or other disposition of all or substantially all of the assets of the Company and/or the Partnership (any such reorganization, merger, consolidation or sale or other disposition of assets being referred to as a "Business Combination"), in each case unless, following such Business Combination, (A) more than 60% of the combined voting power of the then outstanding voting securities of the surviving or acquiring corporation resulting from the Business Combination entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners of the Company's outstanding voting securities immediately prior to such Business Combination in substantially the same proportions as their beneficial ownership, immediately prior to such Business Combination, of the Company's outstanding voting securities, (B) no person (excluding the Company, the Simons, any employee benefit plan or related trust of the Company or such surviving or acquiring corporation resulting from the Business Combination and any person beneficially owning, immediately prior to such reorganization, merger or consolidation, directly or indirectly, 25% or more of the Company's outstanding voting securities) beneficially owns, directly or indirectly, 25% or more of the combined voting power of the then outstanding voting securities of the surviving or acquiring corporation resulting from the Business Combination entitled to vote generally in the election of directors and (C) at least a majority of the members of the board of directors of the surviving or acquiring corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement providing for such Business Combination; or

(iv) Approval by the stockholders of a complete liquidation or dissolution of the Company and/or the Partnership.

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

"Common Stock" means the Company's common stock, par value $0.0001 per share, either currently existing or authorized hereafter.

"Continuous Service" means the continuous service to the Company or any subsidiary or affiliate, without interruption or termination, in any capacity of employment. Continuous Service shall not be considered interrupted in the case of: (i) any approved leave of absence; (ii) transfers among the Company and any subsidiary or affiliate in any capacity of employment; or (iii) any change in status as long as the individual remains in the service of the Company and any subsidiary or affiliate in any capacity of employment. An approved leave of absence shall include sick leave (including, due to any mental or physical disability whether or not such condition rises to the level of a Disability), military leave, or any other authorized personal leave. For purposes of determining Continuous Service, service with the Company includes service, following a Change of Control, with a surviving or successor entity (or its parent entity) that agrees to continue, assume or replace this Award, as contemplated by Section 4(d)(iv)(B).

"Disability" means, with respect to the Grantee, a "permanent and total disability" as defined in Section 22(e)(3) of the Code.

"Earned LTIP" means those Award LTIP Units that have been determined by the Committee, in its sole and absolute discretion, to have been earned on the Valuation Date based on the extent to which one or more of the FFO Goal, the Relative TSR Goal and the Objective Criteria Goal have been achieved as set forth in Section 3(c) or have otherwise been earned under Section 4.

"Effective Date" means the close of business on January 1, 2019.

"Employment Agreement" means, as of a particular date, any employment or similar service agreement then in effect between the Grantee, on the one hand, and the Company or one of its Subsidiaries, on the other hand, as amended or supplemented through such date.

"Ending Common Stock Price" means, as of a particular date, the average of the closing prices of the Common Stock reported by The New York Stock Exchange for the twenty (20) consecutive trading days ending on (and including) such date; provided, however, that if such date is the date upon which a Change of Control occurs, the Ending Common Stock Price as of such date shall be equal to the fair value, as determined by the Committee, in its sole and absolute discretion, of the total consideration paid or payable in the transaction resulting in the Change of Control for one share of Common Stock. For purposes of determining whether the Relative TSR Goal has been attained, an average of the closing measurements published for the twenty (20) consecutive trading days ending on (and including) the applicable Valuation Date shall be used for determining the ending Index measure.

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

"Family Member" has the meaning set forth in Section 7.

"FFO" shall mean funds from operations per share and shall be determined by using the consolidated FFO per share disclosed by the Company in its earnings releases and filings with the SEC during the Performance Period, as the case may be. FFO shall be increased or decreased to give effect to any of the following: any (i) extraordinary, unusual or nonrecurring item, as described in Accounting Standards Codification Topic 225-20 (or any successor pronouncement thereto) including without limitation a spin-off, or as a result of dispositions not made in the ordinary course, (ii) litigation or claim judgments or settlements; (iii) changes in tax laws, accounting principles, or other laws or regulatory rules affecting reported results (iv) other specific unusual or nonrecurring events, or objectively determinable category thereof; (v) nonrecurring charges; and (vi) a change in the Company's fiscal year. Each such adjustment, if any, shall be made by the Committee , in its sole and absolute discretion, in order to prevent the undue dilution of the Grantee's rights with respect to the Award, as modified herein.

"FFO Goal" means the goal for FFO as set forth on Exhibit A.

"Good Reason" shall have the meaning specified in the Grantee's Employment Agreement, or, if the Grantee is not employed pursuant to an employment agreement or is party to an Employment Agreement that does not define the term, "Good Reason" shall mean any of the following events that occurs without the Grantee's prior consent:

(i) the Grantee experiences a material diminution in title, employment duties, authority or responsibilities as compared to the title, duties, authority and responsibilities as in effect during the 90-day period immediately preceding the Change of Control;

(ii) the Grantee experiences a material diminution in compensation and benefits as compared to the compensation and benefits as in effect during the 90-day period immediately preceding the Change of Control, other than (A) a reduction in compensation which is applied to all employees of the Company or affiliate in the same dollar amount or percentage, or (B) a reduction or modification of any employee benefit program covering substantially all of the employees of the Company or affiliate, which reduction or modification generally applies to all employees covered under such program; or

(iii) the Grantee is required to be based at any office or location that is in excess of 50 miles from the principal location of the Grantee's work during the 90-day period immediately preceding the Change of Control.

Before a resignation will constitute a resignation for Good Reason, the Grantee must give the Company or applicable affiliate a notice of resignation within 30 calendar days of the occurrence of the event alleged to constitute Good Reason. The notice must set forth in reasonable detail the specific reason for the resignation and the facts and circumstances claimed to provide a basis for concluding that such resignation is for Good Reason. Failure to provide such notice within such 30-day period shall be conclusive proof that the Grantee does not have Good Reason to terminate employment. In addition, Good Reason shall exist only if the Company or applicable affiliate fails to remedy the event or events constituting Good Reason within 30 calendar days after receipt of the notice of resignation.

"Grant Date" means the date that the Award LTIP Units were granted as set forth on Schedule A.

"Index" means the FTSE NAREIT Equity Retail Index or any successor index.

"Linear Interpolation" means straight line linear interpolation.

"LTIP Units" means the Series 2019 LTIP Units issued pursuant to the Certificate of Designation.

"Objective Criteria Goals" means the Objective Criteria Goals set forth on Exhibit A.

"Partial Service/Performance Factor" means a factor carried out to the sixth decimal to be used in calculating the Earned LTIP Units pursuant to Section 4(b) in the event of a Qualified Termination, or pursuant to Section 4(d) in the event of a Change of Control prior to the Valuation Date, determined by dividing the number of calendar days that have elapsed since the Effective

Date to and including the date of the Grantee's Qualified Termination or a Change of Control, whichever is applicable, by 1,095.

"Partnership Units" or "Units" has the meaning provided in the Partnership Agreement.

"Performance Period" means the period commencing on the Effective Date and ending on the Valuation Date.

"Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, other entity or "group" (as defined in the Exchange Act).

"Per Unit Purchase Price" has the meaning set forth in Section 5.

"Plan" has the meaning set forth in the Recitals.

"Qualified Termination" has the meaning set forth in Section 4(b).

"Relative TSR Goal" means the goal set for TSR on a relative basis as compared to the weighted average of the Index, including the Company, as set forth on Exhibit A.

"Scheduled Vesting Date" means January 1, 2023.

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

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

"Total Stockholder Return" or "TSR" means, with respect to a share of Common Stock as of a particular date of determination, the sum of: (A) the difference, positive or negative, between the Ending Common Stock Price as of such date and the Baseline Value, plus (B) the total per-share dividends and other distributions (excluding distributions described in Section 6) with respect to the Common Stock declared between the Effective Date and such date of determination and assuming contemporaneous reinvestment in Common Stock of all such dividends and distributions, using as a re-investment price, the closing price per share of the Common Stock as of the most recent ex-dividend date so long as the "ex-dividend" date with respect thereto falls prior to such date of determination.

"Transfer" has the meaning set forth in Section 7.

"TSR Percentage" means the TSR achieved with respect to a share of Common Stock from the Effective Date to the Valuation Date determined by following quotient: (A) the TSR divided by (B) the Baseline Value.

"Valuation Date" means December 31, 2021.

"Vested LTIP Units" means those Earned LTIP Units that have fully vested in accordance with the time-based vesting conditions of Section 3(d) or have vested on an accelerated basis under Section 4.

3. Award.

(a) The Grantee is granted as of the Grant Date, the number of Award LTIP Units set forth on Schedule A which are subject to forfeiture provided in this Section 3 and Section 4. It is a condition to the effectiveness of this Award that the Grantee execute and deliver an original or counterpart original of this Agreement and such other documents that the Company and/or the Partnership reasonably request in order to comply with all applicable legal requirements, including, without limitation, federal and state securities laws, and the Grantee pays the Per Unit Purchase Price for each such Award LTIP Unit issued.

(b) The Award LTIP Units are subject to forfeiture during a maximum of a four-year period based on a combination of (i) the extent to which the FFO Goal, the Relative TSR Goal, or the Objective Criteria Goals are achieved and (ii) the passage of four years or a shorter period in certain circumstances as provided herein in Section 4. Award LTIP Units may become Earned LTIP Units and Earned LTIP Units may become Vested LTIP Units in the amounts and upon the conditions set forth in this Section 3 and in Section 4, so long as the Continuous Service of the Grantee continues through the Scheduled Vesting Date, unless otherwise expressly set forth in this Agreement with respect to a Qualified Termination or Change of Control, or as determined by the Committee, in its sole and absolute discretion, as provided in Section 4(f).

(c) As soon as practicable following the Valuation Date, for the Award LTIP Units, as of the Valuation Date, the Committee, in its sole and absolute discretion, will determine:

(i) the extent to which the FFO Goal has been achieved;

(ii) the extent to which the Relative TSR Goal has been achieved;

(iii) the extent to which the Objective Criteria Goals have been achieved;

(iv) using the payout matrix on Exhibit A, the number of Earned LTIP Units to which the Grantee is entitled; and

(v) the calculation of the Partial Service/Performance Factor, if applicable to the Grantee.

If the number of Earned LTIP Units is smaller than the number of Award LTIP Units on the Valuation Date, then the Grantee, as of the Valuation Date, shall forfeit a number of Award LTIP Units equal to the difference, without payment of any consideration by the Partnership other than as provided in the last sentence of Section 5. Thereafter, the term LTIP Units, will refer only to the Earned LTIP Units, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will have any further rights or interests in the Award LTIP Units that were so forfeited.

(d) One hundred percent (100%) of the Earned LTIP Units shall become Vested LTIP Units on the Scheduled Vesting Date, provided that the Continuous Service of the

Grantee continues through the Scheduled Vesting Date or the accelerated vesting date provided in Section 4, as applicable.

(e) Except as otherwise provided under Section 4, upon termination of Continuous Service before the Scheduled Vesting Date, any Earned LTIP Units that have not become Vested LTIP Units pursuant to Section 3(d) shall, without payment of any consideration to the Grantee other than as provided in the last sentence of Section 5, automatically and without notice be forfeited and be and become null and void, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such Earned LTIP Units.

4. Termination of Grantee's Employment; Death and Disability; Change of Control.

(a) If the Grantee's Continuous Service terminates prior to the Scheduled Vesting Date, the provisions of Sections 4(b) through Section 4(f) shall govern the treatment of the Grantee's Award LTIP Units exclusively, unless the Grantee's Employment Agreement contains provisions that expressly refer to this Section 4(a) and provides that those provisions of the Employment Agreement shall instead govern the treatment of the Grantee's LTIP Units. In the event an entity of which the Grantee is an employee ceases to be a subsidiary or affiliate of the Company, such action shall be deemed to be a termination of employment of the Grantee for purposes of this Agreement, unless the Grantee promptly thereafter becomes an employee of the Company or any of its affiliates, provided that, the Committee or the Board, in its sole and absolute discretion, may make provision in such circumstances for lapse of forfeiture restrictions and/or accelerated vesting of some or all of the Grantee's Award LTIP Units and Earned LTIP Units that have not previously been forfeited, effective immediately prior to such event. If a Change of Control occurs, Section 4(d) shall govern the treatment of the Grantee's Award LTIP Units exclusively, notwithstanding the provisions of the Plan.

(b) In the event of termination of the Grantee's Continuous Service before the Valuation Date by Grantee's death or Disability (each a "Qualified Termination"), the Grantee will not forfeit the Award LTIP Units upon such termination, but the following provisions of this Section 4(b) shall modify the treatment of the Award LTIP Units:

(i) the calculations provided in Section 3(c) shall be performed as of the Valuation Date as if the Qualified Termination had not occurred;

(ii) the number of Earned LTIP calculated, pursuant to Section 3(c) shall be multiplied by the applicable Partial Service/Performance Factor(s) (with the resulting number(s) being rounded to the nearest whole LTIP Unit or, in the case of 0.5 of a unit, up to the next whole unit), and such adjusted number of Earned LTIP Units shall be deemed the Grantee's Earned LTIP Units for all purposes under this Agreement; and

(iii) the Grantee's Earned LTIP Units as adjusted pursuant to Section 4(b)(ii) shall, as of the Valuation Date, become Vested LTIP Units and shall no longer be subject to forfeiture pursuant to Section 3(e).

(c) In the event of Qualified Termination after the Valuation Date, all Earned LTIP Units that have not previously been forfeited pursuant to the calculations set forth in Section 3(c) shall, as of the date of such Qualified Termination, become Vested LTIP Units and no longer be subject to forfeiture pursuant to Section 3(e); provided that, notwithstanding that no Continuous Service requirement pursuant to Section 3(d) will apply to the Grantee after the effective date of a Qualified Termination after the Valuation Date, the Grantee will not have the right to either (i) Transfer (as defined in Section 7), except by reason of the Grantee's death, or (ii) request conversion of his or her Vested LTIP Units under the Certificate of Designation until, in either case, such dates as of which his or her Earned LTIP Units would have become Vested LTIP Units pursuant to Section 3(d) absent a Qualified Termination.

(d) If a Change of Control occurs prior to the Scheduled Vesting Date, the provisions of this Section 4(d) shall apply:

(i) If the Change of Control occurs prior to the Scheduled Valuation Date, the calculation of the number of Earned LTIP Units as provided in Section 3(c) shall be performed as of the date of the Change of Control.

(ii) If, within 24 months after a Change of Control (A) described in clauses (i) or (ii) of the definition of Change of Control or (B) described in clause (iii) of the definition of Change of Control in connection with which the surviving or successor entity (or its parent entity) agrees to continue, assume or replace this Award, the Grantee's Continuous Service terminates as the result of either an involuntary termination for reasons other than Cause or a resignation for Good Reason, then to the extent the Grantee's Earned LTIP Units have not already become Vested LTIP Units, such Earned LTIP Units shall become Vested LTIP Units as of the termination of Continuous Service and shall no longer be subject to forfeiture pursuant to Section 3(e).

(iii) If this Award is not continued, assumed or replaced in connection with a Change of Control described in clause (iii) of the definition of Change of Control as contemplated by Section 4(d)(iv)(B), then to the extent the Grantee's Earned LTIP Units have not already become Vested LTIP Units, such Earned LTIP Units shall become Vested LTIP Units as of the date of the Change of Control and shall no longer be subject to forfeiture pursuant to Section 3(e). Unless the Committee, in its sole and absolute discretion, provides otherwise in connection with a Change of Control described in clause (iv) of the definition of Change of Control, the Grantee's Earned LTIP Units (as calculated pursuant to Section 4(d)(i) if the Change of Control occurs before the Scheduled Valuation Dates) shall, to the extent they have not already become Vested LTIP Units, become Vested LTIP Units immediately prior to the consummation of the liquidation, dissolution or sale of assets and shall no longer be subject to forfeiture pursuant to Section 3(e).

(iv) For purposes of this Section 4(d), this Award will be considered assumed or replaced if, in connection with the Change of Control transaction, either (A) the contractual obligations represented by this Award are expressly assumed by the surviving or successor entity (or its parent entity) with appropriate adjustments to the number and type of securities subject to this Award that preserves the economic or financial value of this Award existing at the time the Change of Control occurs, or (B) the Grantee has received a comparable LTIP Unit award that preserves the economic or financial value of this Award existing at the time of the Change of Control transaction and is subject to substantially similar terms and conditions as this Award.

(v) Unless and until the Earned LTIP Units become Vested LTIP Units pursuant to Section 4(d)(ii) or Section 4(d)(iii), the Earned LTIP Units shall vest in accordance with Section 3(d).

(e) Notwithstanding the foregoing, in the event any payment to be made hereunder after giving effect to this Section 4 is determined to constitute "nonqualified deferred compensation" subject to Section 409A of the Code, then, to the extent the Grantee is a "specified employee" under Section 409A of the Code subject to the six-month delay thereunder, any such payments to be made during the six-month period commencing on the Grantee's "separation from service" (as defined in Section 409A of the Code) shall be delayed until the expiration of such six-month period.

(f) Unless the Grantee's Employee Agreement provides otherwise, in the event of a termination of the Grantee's Continuous Service other than a Qualified Termination or a termination described in Section 4(d)(ii), all Award LTIP Units and Earned LTIP Units that have not theretofore become Vested LTIP Units shall, without payment of any consideration by the Partnership other than as provided in the last sentence of Section 5, automatically and without notice terminate, be forfeited and be and become null and void, and neither the Grantee nor any of his or her successors, heirs, assigns, or personal representatives will thereafter have any further rights or interests in such Award LTIP Units or Earned LTIP Units, provided, however, in the event the termination of Grantee's employment is due to Grantee's retirement after age 55, the Committee may determine, in its sole and absolute discretion, that all or any portion of the Award LTIP Units or the Earned LTIP Units shall become Vested LTIP Units, together with the terms and conditions upon which any such Award LTIP Units or Earned LTIP Units shall become Vested LTIP Units.

5. Payments by Award Recipients. The Grantee shall have no rights with respect to this Agreement (and the Award evidenced hereby) unless he or she shall have accepted this Agreement as described in Section 3(a) by (a) making a contribution to the capital of the Partnership by certified or bank check, wire transfer or other instrument acceptable to the Committee, in its sole and absolute discretion,, of $0.25 (the "Per Unit Purchase Price"), multiplied by the number of Award LTIP Units, (b) signing and delivering to the Partnership an original or counterpart original of this Agreement and (c) unless the Grantee is already a Limited Partner (as defined in the Partnership Agreement), signing, as a Limited Partner, and delivering to the Partnership a counterpart signature page to the Partnership Agreement (attached as Exhibit B). The

Per Unit Purchase Price paid by the Grantee shall be deemed a contribution to the capital of the Partnership upon the terms and conditions set forth herein and in the Partnership Agreement. Upon acceptance of this Agreement by the Grantee, the Partnership Agreement shall be amended to reflect the issuance to the Grantee of the LTIP Units so accepted. Thereupon, the Grantee shall have all the rights of a Limited Partner of the Partnership with respect to the number of Award LTIP Units, as set forth in the Certificate of Designation and the Partnership Agreement, subject, however, to the restrictions and conditions specified herein. Award LTIP Units constitute and shall be treated for all purposes as the property of the Grantee, subject to the terms of this Agreement and the Partnership Agreement. In the event of the forfeiture of the Grantee's Award LTIP Units pursuant to this Agreement, the Partnership will pay the Grantee an amount equal to the number of Award LTIP Units so forfeited multiplied by the lesser of the Per Unit Purchase Price or the fair market value of an Award LTIP Unit on the date of forfeiture as determined by the Committee, in its sole and absolute discretion.

6. Distributions.

(a) The holders of Award LTIP Units, Earned LTIP Units and Vested LTIP Units (until and unless forfeited pursuant to Section 3(e) or Section 4(g)), shall be entitled to receive the distributions to the extent provided for in the Certificate of Designation and the Partnership Agreement.

(b) All distributions paid with respect to LTIP Units shall be fully vested and non-forfeitable when paid.

7. Restrictions on Transfer.

(a) Except as otherwise permitted by the Committee. in its sole and absolute discretion, none of the Award LTIP Units, Earned LTIP Units, Vested LTIP Units or Partnership Units into which Vested LTIP Units have been converted shall be sold, assigned, transferred, pledged, hypothecated, given away or in any other manner disposed or encumbered, whether voluntarily or by operation of law (each such action a "Transfer"); provided that Earned LTIP Units and Vested LTIP Units may be Transferred to the Grantee's Family Members (as defined below) by gift, bequest or domestic relations order; and provided further that the transferee agrees in writing with the Company and the Partnership to be bound by all the terms and conditions of this Agreement and the Partnership Agreement and that subsequent transfers shall be prohibited except those in accordance with this Section 7. Additionally, all such Transfers must be in compliance with all applicable securities laws (including, without limitation, the Securities Act) and the applicable terms and conditions of the Partnership Agreement. In connection with any such Transfer, the Partnership may require the Grantee to provide an opinion of counsel, satisfactory to the Partnership that such Transfer is in compliance with all federal and state securities laws (including, without limitation, the Securities Act). Any attempted Transfer not in accordance with the terms and conditions of this Section 7 shall be null and void, and neither the Partnership nor the Company shall reflect on its records any change in record ownership of any Earned LTIP Units or Vested LTIP Units as a result of any such Transfer, shall otherwise refuse to recognize any such Transfer and shall not in any way give effect to any such Transfer. Except as provided in this Section 7, this Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

(b) For purposes of this Agreement, "Family Member" of a Grantee, means the Grantee's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the Grantee's household (other than a tenant of the Grantee), a trust in which one or more of these persons (or the Grantee) own more than 50 percent of the beneficial interests, and a partnership or limited liability company in which one or more of these persons (or the Grantee) own more than 50 percent of the voting interests.

8. Miscellaneous.

(a) Amendments. This Agreement may be amended or modified only with the consent of the Company and the Partnership acting through the Committee, in its sole and absolute discretion; provided that any such amendment or modification must be consented to by the Grantee to be effective as against him or her. This grant shall in no way affect the Grantee's participation or benefits under any other plan or benefit program maintained or provided by the Company or the Partnership or any of their subsidiaries or affiliates.

(b) Clawback. The Company has adopted an "Executive Compensation Clawback Policy" ("Clawback Policy") applicable to all performance-based compensation paid or to be paid to the executive officers of the Company. Grantee hereby agrees that the Award LTIP Units which are awarded under terms of this Agreement and which may become Earned LTIP Units and Vested LTIP Units hereunder are and shall remain subject to the Clawback Policy, as the same may be hereafter amended, modified or supplemented with the approval of the Committee, in its sole and absolute discretion. Further, Grantee agrees that should the Committee, in its sole and absolute discretion, determine that any Earned LTIP Units or Vested LTIP Units hereunder must be forfeited by the Grantee pursuant to the Clawback Policy, Grantee shall tender repayment or forfeiture of the Earned LTIP Units or Vested LTIP Units, as the case may be, to the Company in amounts as may be determined from time-to-time by the Committee, in its sole and absolute discretion, all in accordance with the Clawback Policy.

(c) Incorporation of Plan and Certificate of Designation; Committee Determinations. The provisions of the Plan and the Certificate of Designation are hereby incorporated by reference as if set forth herein. The Committee will make the determinations and certifications required by this Award as promptly as reasonably practicable following the occurrence of the event or events necessitating such determinations or certifications. In the event of a Change of Control, the Committee will make such determinations within a period of time that enables the Company to make any payments due hereunder not later than the date of consummation of the Change of Control.

(d) Status of LTIP Units; Plan Matters. This Award constitutes an incentive compensation award under the Plan. The LTIP Units are equity interests in the Partnership. The number of shares of Common Stock reserved for issuance under the Plan underlying outstanding Award LTIP Units will be determined by the Committee, in its sole and absolute discretion, in light of all applicable circumstances, including calculations made or to be made under Section 3, vesting, capital account allocations and/or balances under the Partnership Agreement, and the exchange ratio in effect between Partnership Units and shares of Common Stock. The Company will have the right, at its option, as set forth in the Partnership Agreement, to issue shares of Common Stock in exchange for Partnership Units in accordance with the Partnership Agreement, subject to certain limitations set forth in the Partnership Agreement, and such shares of Common Stock, if issued, will be issued under the Plan. The Grantee acknowledges that the Grantee will have no right to approve or disapprove such determination by the Company.

(e) Legend. The records of the Partnership evidencing the LTIP Units shall bear an appropriate legend, as determined by the Partnership in its sole discretion, to the effect that such LTIP Units are subject to restrictions as set forth herein and in the Partnership Agreement.

(f) Compliance With Law. The Partnership and the Grantee will make reasonable efforts to comply with all applicable securities laws. In addition, notwithstanding any provision of this Agreement to the contrary, no LTIP Units will become Vested LTIP Units at a time that such vesting would result in a violation of any such law.

(g) Grantee Representations; Registration.

(i) The Grantee hereby represents and warrants that (A) he or she understands that he or she is responsible for consulting his or her own tax advisor with respect to the application of the U.S. federal income tax laws, and the tax laws of any state, local or other taxing jurisdiction to which the Grantee is or by reason of this Award may become subject, to his or her particular situation; (B) the Grantee has not received or relied upon business or tax advice from the Company, the Partnership or any of their respective employees, agents, consultants or advisors, in their capacity as such; (C) the Grantee provides services to the Partnership on a regular basis and in such capacity has access to such information, and has such experience of and involvement in the business and operations of the Partnership, as the Grantee believes to be necessary and appropriate to make an informed decision to accept this Award; (D) LTIP Units are subject to substantial risks; (E) the Grantee has been furnished with, and has reviewed and understands, information relating to this Award; (F) the Grantee has been afforded the opportunity to obtain such additional information as he or she deemed necessary before accepting this Award; and (G) the Grantee has had an opportunity to ask questions of representatives of the Partnership and the Company, or persons acting on their behalf, concerning this Award.

(ii) The Grantee hereby acknowledges that: (A) there is no public market for LTIP Units or Partnership Units into which Vested LTIP Units may be converted and neither the Partnership nor the Company has any obligation or intention to create such a market; (B) sales of LTIP Units and Partnership Units are subject to restrictions under the Securities Act and applicable state securities laws; (C) because of the restrictions on transfer or assignment of LTIP Units and Partnership Units set forth in the Partnership Agreement and in this Agreement, the Grantee may have to bear the economic risk of his or her ownership of the LTIP Units covered by this Award for an indefinite period of time; (D) shares of Common Stock issued under the Plan in exchange for Partnership Units, if any, will be covered by a Registration Statement on Form S-8 (or a successor form under applicable rules and regulations of the Securities and Exchange Commission) under the Securities Act, to the extent that the Grantee is eligible to receive such shares under the Plan at the time of such issuance and such Registration Statement is then effective under the Securities Act; and (E) resales of shares of Common Stock issued under the Plan in exchange for Partnership Units, if any, shall only be made in compliance with all applicable restrictions (including in certain cases "blackout periods" forbidding sales of Company securities) set forth in the then applicable Company employee manual or insider trading policy and in compliance with the registration requirements of the Securities Act or pursuant to an applicable exemption therefrom.

(h) Section 83(b) Election. The Grantee hereby agrees to make an election to include the Award LTIP Units in gross income in the year in which the Award LTIP Units are issued pursuant to Section 83(b) of the Code substantially in the form attached as Exhibit C and to supply the necessary information in accordance with the regulations promulgated thereunder. The Grantee agrees to file such election (or to permit the Partnership to file such election on the Grantee's behalf) within thirty (30) days after the Grant Date with the IRS Service Center where the Grantee files his or her personal income tax returns, to provide a copy of such election to the Partnership and the Company, and to file a copy of such election with the Grantee's U.S. federal income tax return for the taxable year in which the Award LTIP Units are issued to the Grantee. So long as the Grantee holds any Award LTIP Units, the Grantee shall disclose to the Partnership in writing such information as may be reasonably requested with respect to ownership of LTIP Units as the Partnership may deem reasonably necessary to ascertain and to establish compliance with provisions of the Code applicable to the Partnership or to comply with requirements of any other appropriate taxing authority.

(i) Tax Consequences. The Grantee acknowledges that (i) neither the Company nor the Partnership has made any representations or given any advice with respect to the tax consequences of acquiring, holding, selling or converting LTIP Units or making any tax election (including the election pursuant to Section 83(b) of the Code) with respect to the LTIP Units and (ii) the Grantee is relying upon the advice of his or her own tax advisor in determining such tax consequences.

(j) Severability. If, for any reason, any provision of this Agreement is held invalid, such invalidity shall not affect any other provision of this Agreement not so held invalid, and each such other provision shall to the full extent consistent with law continue in full force and effect.

(k) Governing Law. This Agreement is made under, and will be construed in accordance with, the laws of the State of Delaware, without giving effect to the principles of conflict of laws of such state.

(l) No Obligation to Continue Position as an Employee, Consultant or Advisor. Neither the Company nor any affiliate is obligated by or as a result of this Agreement to continue to have the Grantee as an employee, consultant or advisor and this Agreement shall not interfere in any way with the right of the Company or any affiliate to terminate the Grantee's employment at any time.

(m) Notices. Any notice to be given to the Company shall be addressed to the Secretary of the Company at 225 West Washington Street, Indianapolis, Indiana 46204, and any notice to be given to the Grantee shall be addressed to the Grantee at the Grantee's address as it appears on the employment records of the Company, or at such other address as the Company or the Grantee may hereafter designate in writing to the other.

(n) Withholding and Taxes. No later than the date as of which an amount first becomes includible in the gross income of the Grantee for income tax purposes or subject to the Federal Insurance Contributions Act withholding with respect to this Award, the Grantee will pay to the Company or, if appropriate, any of its affiliates, or make arrangements satisfactory to the Committee, in its sole and absolute discretion, regarding the payment of any United States federal, state or local or foreign taxes of any kind required by law to be withheld with respect to such amount; provided, however, that if any LTIP Units or Partnership Units are withheld (or returned), the number of LTIP Units or Partnership Units so withheld (or returned) shall be limited to the number which have a fair market value on the date of withholding equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income. The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company and its affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Grantee.

(o) Headings. The headings of paragraphs of this Agreement are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement.

(p) Counterparts. This Agreement may be executed in multiple counterparts with the same effect as if each of the signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

(q) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and any successors to the Company and the Partnership, on the one hand, and any successors to the Grantee, on the other hand, by will or the laws of descent and distribution, but this Agreement shall not otherwise be assignable or otherwise subject to hypothecation by the Grantee.

(r) Section 409A. This Agreement shall be construed, administered and interpreted in accordance with a good faith interpretation of Section 409A of the Code, to the extent applicable. Any provision of this Agreement that is inconsistent with applicable provisions of Section 409A of the Code, or that may result in penalties under Section 409A of the Code, shall be amended, with the reasonable cooperation of the Grantee and the Company and the Partnership, to the extent necessary to exempt it from, or bring it into compliance with, Section 409A of the Code.

(s) Delay in Effectiveness of Exchange. The Grantee acknowledges that any exchange of Partnership Units for Common Stock or cash, as selected by the General Partner, may not become effective until six (6) months from the date the Vested LTIP Units that were converted into Partnership Units became fully vested.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the ___ day of May, 2019.

SIMON PROPERTY GROUP, INC., a Delaware corporation

By: ______________________________
Name: John Rulli
Title: President of Malls
and Chief Administrative Officer

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

By: Simon Property Group, Inc., a Delaware corporation, its general partner

By: ______________________________
Name: John Rulli
Title: President of Malls
and Chief Administrative Officer

GRANTEE

____
Name: **[GRANTEE]**

EXHIBIT A

PAYOUT MATRIX

The Committee, in its sole and absolute discretion, will determine the number of Award LTIP Units that become Earned LTIP Units by determining the extent to which the FFO Goal, the Relative TSR Goal and the Objective Criteria Goals have been achieved as set forth in the following payout matrices:

FFO Goal

Weighted 50%

FFO CAGR for the Performance Period	Number of Award LTIP Units that become Earned LTIP Units
Less than 2.0% CAGR	0
2.0% CAGR	[---]
3.0% CAGR	[---]
4.0% or greater CAGR	[---]

Relative TSR Goal

Weighted 30%

TSR Percentage Relative to the Index for the Performance Period	Number of Award LTIP Units that become Earned LTIP Units[1]
Less than 25th percentile of the Index	0
25th percentile of the Index	[---]
55th percentile of the Index	[---]
75th percentile or greater of the Index	[---]

[EXHIBIT A Continued on Next Page]

EXHIBIT A
PAYOUT MATRIX
(Continued)

Objective Criteria Goals

Weighted 20%	
Objective Criteria for the Performance Period (Goals set forth below)	**Number of Award LTIP Units that become Earned LTIP Units**
Fewer than 3 of 5 Goals completed	0
3 of 5 Goals completed	[--]
4 of 5 Goals completed	[--]
5 of 5 Goals completed	[--]

1. Commence and Complete no fewer than fifteen (15) department store redevelopments prior to December 31, 2021.
2. Refinance, retire, or otherwise address no less than six billion, six hundred million dollars ($6,600,000,000) of secured and unsecured debt.
3. Commence[1] five (5) mixed-use redevelopments.
4. Strengthen technology infrastructure by accomplishing at least two (2) of the following three (3) initiatives:
   a. Replacing CTI
   b. Updating the Company's Disaster Recovery Plan
   c. Strengthen by implementing a new Cyber Security System
5. Enhance customer experience by offering engaging and entertaining amenities including new common area and Dining Pavilion experience, Holiday Décor packages, "selfie" experiences, and new interactive play areas.

   Goal 5, above, will be considered completed if the Dwell Time at the Company Target Properties for 2021 is greater than or equal to 75 minutes.

EXHIBIT B

FORM OF LIMITED PARTNER SIGNATURE PAGE

The Grantee, desiring to become one of the within named Limited Partners of Simon Property Group, L.P., hereby accepts all of the terms and conditions of and becomes a party to, the Eighth Amended and Restated Agreement of Limited Partnership, dated as of May 8, 2008, of Simon Property Group, L.P. as amended through this date (the "Partnership Agreement"). The Grantee agrees that this signature page may be attached to any counterpart of the Partnership Agreement.

Signature Line for Limited Partner:

____

Name: ______________________________

Date: ______________________________

Address of Limited Partner:

____

____

FORM OF
CERTIFICATE OF DESIGNATION
OF SERIES 2019 LTIP UNIT OF
SIMON PROPERTY GROUP, L.P.

WHEREAS, Simon Property Group, L.P. (the "Partnership"), is authorized to issue LTIP Units to executives of Simon Property Group, Inc., the General Partner of the Partnership (the "General Partner"), pursuant to Section 9.3(a) of the Eighth Amended and Restated Limited Partnership Agreement of the Partnership (the "Partnership Agreement").

WHEREAS, the General Partner has determined that it is in the best interests of the Partnership to designate a series of LTIP units that are subject to the provisions of this Designation and the related Award Agreement (as defined below); and

WHEREAS, Sections 7.3 and 9.3(c) of the Partnership Agreement authorize the General Partner, without the approval of the Limited Partners, to set forth in an LTIP Unit Designation (as defined in the Partnership Agreement) the performance conditions and economic rights including distribution and conversion rights of each class or series of LTIP Units.

NOW, THEREFORE, the General Partner hereby designates the powers, preferences, economic rights and performance conditions of the Series 2019 LTIP Units.

ARTICLE I
Definitions

1 . 1 Definitions Applicable to LTIP Units . Except as otherwise expressly provided herein, each capitalized term shall have the meaning ascribed to it in the Partnership Agreement. In addition, as used herein:

"Adjustment Events" has the meaning provided in Section 2.2 hereof.

"Award Agreement" means the Series 2019 LTIP Unit Award Agreement approved by the Compensation Committee of the Board of Directors of the General Partner and entered into with the holder of the number of Award LTIP Units specified therein.

"Award LTIP Units" means the number of LTIP Units issued pursuant to an Award Agreement and does not include the Earned LTIP Units or Vested LTIP Units that the Award LTIP Units may become.

"Conversion Date" has the meaning provided in Section 4.3 hereof.

"Conversion Notice" has the meaning provided in Section 4.3 hereof.

"Earned LTIP Units" means the number of Award LTIP Units that are determined by the Committee to have been earned pursuant to an Award Agreement.

"Economic Capital Account Balance" means, with respect to a holder of LTIP Units, (i) his Capital Account balance, plus the amount of his or her share of any Partner Minimum Gain or Partnership Minimum Gain, in either case to the extent attributable to his or her ownership of LTIP Units, divided by (ii) the number of LTIP Units held by such holder.

"Full Conversion Date" means with respect to a holder of the LTIP Units, the date on which the Economic Capital Account Balance of such holder first equals or exceeds the Target Balance.

"Grant Date" means May 8, 2019.

"Liquidating Gain" means one hundred percent (100%) of the Profits of the Partnership realized from a transaction or series of transactions that constitute a sale of substantially all of the assets of the Partnership and one hundred percent (100%) of the Profits realized from a restatement of the Partnership's Capital Accounts in accordance with Treas. Reg. §1.704-1(b)(2)(iv)(f).

"LTIP Units" means the Series 2019 LTIP Units created by this Designation.

"LTIP Unitholder" means a person that holds LTIP Units.

"Other LTIP Units" means "LTIP Units" (as defined in the Partnership Agreement) other than the Series 2019 LTIP Units designated hereby.

"Partnership Unit Economic Balance" shall mean (i) the Capital Account balance of the General Partner plus the amount of the General Partner's share of any Partner Minimum Gain or Partnership Minimum Gain, in each case to the extent attributable to the General Partner's Partnership Units divided by (ii) the number of the General Partner's Partnership Units.

"Partnership Units" or "Units" has the meaning set forth in the Partnership Agreement.

"Special Distributions" means distributions designated as a capital gain dividend within the meaning of Section 875(b)(3)(C) of the Code and any other distribution that the General Partner determines is not made in the ordinary course.

"Target Balance" means (i) $172.84, which is equal to the Partnership Unit Economic Balance as of the Grant Date as determined after Capital Accounts have been adjusted in accordance with Treas. Reg. §1.704-1(b)(2)(iv)(f), reduced by (ii) the amount of Special Distributions per Partnership Unit attributable to the sale of assets subsequent to the Grant Date, to the extent that such Special Distributions are not made with respect to the LTIP Units.

"Vested LTIP Units" means Earned LTIP Units that have satisfied the time-based or accelerated vesting requirements of an Award Agreement.

1.2 Definitions Applicable to Other LTIP Units. In determining the rights of the holder of the LTIP Units *vis-à-vis* the holders of Other LTIP Units, the foregoing definitions shall apply to the Other LTIP Units except as expressly provided otherwise in a Certificate of Designation applicable to such Other LTIP Units.

ARTICLE II
Economic Terms and Voting Rights

2.1 Designation and Issuance. The General Partner hereby designates a series of LTIP Units entitled the Series 2019 LTIP Units. The number of Series 2019 LTIP Units that may be issued pursuant to this Designation is the total number of Award LTIP Units issued on the Grant Date. Each holder of Award LTIP Units shall be deemed admitted as a Limited Partner of the Partnership on the Grant Date unless as of the Grant Date such holder has already been admitted to the Partnership as a Limited Partner.

2.2 Unit Equivalence. Except as otherwise provided in this Designation, the Partnership shall maintain, at all times, a one-to-one correspondence between the LTIP Units and Partnership Units, for conversion, distribution and other purposes, including without limitation complying with the following procedures. If an Adjustment Event (as defined below) occurs, then the General Partner shall make a corresponding adjustment to the LTIP Units to maintain a one-to-one conversion and economic equivalence ratio between the LTIP Units and the Partnership Units. The following shall be "Adjustment Events": (A) the Partnership makes a distribution of Partnership Units or other equity interests in the Partnership on all outstanding Partnership Units (provided that with respect to Award LTIP Units any adjustment as the result of a distribution made concurrently with a stock dividend paid by the General Partner in accordance with Rev. Proc. 2010-12 or any similar policy or pronouncement of the Internal Revenue Service shall be made only to the extent that the Award LTIP Units do not receive ten percent (10%) of the distribution), (B) the Partnership subdivides the outstanding Partnership Units into a greater number of units or combines the outstanding Partnership Units into a smaller number of units, or (C) the Partnership issues any Partnership Units or other equity in the Partnership in exchange for its outstanding Partnership Units by way of a reclassification or recapitalization of its Partnership Units. If more than one Adjustment Event occurs, the adjustment to the LTIP Units need be made only once using a single formula that takes into account each and every Adjustment Event as if all Adjustment Events occurred simultaneously. For the avoidance of doubt, the following shall not be Adjustment Events: (x) the issuance of Partnership Units from the Partnership's sale of securities or in a financing, reorganization, acquisition or other business transaction, (y) the issuance of Partnership Units or Other LTIP Units pursuant to any employee benefit or compensation plan or distribution reinvestment plan, or (z) the issuance of any Partnership Units to the General Partner in respect of a capital contribution to the Partnership of proceeds from the sale of securities by the General Partner. If the Partnership takes an action affecting the Partnership Units other than actions specifically described above as constituting Adjustment Events and, in the opinion of the General Partner, such action would require an adjustment to the LTIP Units to maintain the one-to-one correspondence described above, the General Partner shall have the right to make such adjustment to the LTIP Units, to the extent permitted by law, in such manner and at such time as the General Partner, in its sole discretion, may determine to be appropriate under the circumstances. If an adjustment is made to the LTIP Units as hereby provided, the Partnership shall promptly file in the books and records of the Partnership a certificate setting forth such adjustment and a brief statement of facts requiring such adjustment, which certificate shall be conclusive evidence of the correctness of such adjustment absent manifest error. Promptly after filing such certificate, the Partnership shall mail a notice to each LTIP Unitholder setting forth the adjustment to his or her LTIP Units and the effective date of such adjustment.

2.3 Distributions of Net Operating Cash Flow. Award LTIP Units shall be treated as one-tenth of a Partnership Unit for purposes of Sections 6.2(a) and (b)(iii) of the Partnership Agreement, except that Award LTIP Units shall not be entitled to any Special Distributions except as provided in Section 2.4. Distributions with respect to an Award LTIP Unit issued during a fiscal quarter shall be prorated as provided in Section 6.2(c)(ii) of the Partnership Agreement. Earned LTIP Units shall be entitled to the same rights to receive distributions as the Partnership Units.

2.4 Special Distributions. Until the Economic Capital Account Balance of a holder's LTIP Units is equal to the Target Balance, such holder shall be entitled to Special Distributions attributable to the sale of an asset of the Partnership only to the extent the Partnership determines that such asset has appreciated in value subsequent to the Grant Date.

2.5 Liquidating Distributions. In the event of the dissolution, liquidation and winding up of the Partnership, distributions to holders of LTIP Units shall be made in accordance with Section 8.2(d) of the Partnership Agreement.

2.6 Forfeiture. Any Award LTIP Units and Earned LTIP Units that are forfeited pursuant to the terms of an Award Agreement shall immediately be null and void and shall cease to be outstanding or to have any rights except as otherwise provided in the Award Agreement.

2.7 Voting Rights. Holders of Award LTIP Units and Earned LTIP Units shall not be entitled to vote on any other matter submitted to the Limited Partners for their approval unless and until such units constitute Vested LTIP Units. Vested LTIP Units will be entitled to be voted on an equal basis with the Partnership Units.

ARTICLE III
Tax Provisions

3.1 Special Allocations of Profits. Liquidating Gain shall be allocated as follows: (a) first, to the holders of Preferred Units as provided in the Partnership Agreement, (b) second, if applicable, to the holders of Partnership Units as provided in by the Partnership Agreement until the Partnership Unit Economic Balance is equal to the Target Balance and (c) third, to (i) the holders of the LTIP Units until their Economic Capital Account Balance is equal to the Target Balance and (ii) the holders of Other LTIP Units until their economic capital account balances are equal to their target balances. If an allocation of Liquidating Gain is not sufficient to achieve the objectives of the foregoing sentence in full, Liquidating Gain, after giving effect to clauses (a) and (b) in such sentence, shall be allocated first, to the holders of the Vested LTIP Units and vested Other LTIP Units and, second, to the holders of Unvested LTIP Units and non-vested Other LTIP Units, in each case, in proportion to the amounts necessary for such units to achieve the objectives of the foregoing sentence; provided, that the holders of Other LTIP Units shall not receive an allocation of Liquidating Gain that they are not entitled to receive under the applicable certificate of designation. A certificate of designation for Other LTIP Units may provide for a different allocation among such Other LTIP Units, but such different allocation shall not affect the amount allocated to the LTIP Units *vis-à-vis* the Other LTIP Units. Notwithstanding the foregoing, Liquidating Gain shall not be allocated to the holders of the LTIP Units to the extent such allocation would cause the LTIP Units to fail to qualify as a "profits interest" when granted. Once the Economic Capital Account Balance has been increased to the Target Balance, no further allocations shall be made pursuant to this Section 3.1. Thereafter, LTIP Units shall be treated as Partnership Units with respect to the allocation of Profits and Losses pursuant to Section 3.2.

If any Unvested LTIP Units to which gain has been previously allocated under this Section are forfeited, the Capital Account associated with the forfeited Unvested LTIP Units will be reallocated to the remaining LTIP Units at the time of forfeiture to the extent necessary to cause the Economic Capital Account Balance of such remaining LTIP Units to equal the Target Balance. To the extent any gain is not reallocated in accordance with the foregoing sentence, such gain shall be forfeited.

3.2 Allocations with Respect to Award LTIP Units. The following provisions apply to allocation of Profits and Losses with respect to Award LTIP Units:

(a) Except to the extent to which a holder of the LTIP Units is entitled to a Distribution pursuant to Section 2.4, no Profits that the General Partner determines are attributable to a Special Distribution or the sale of an asset shall be allocated to Award LTIP Units.

(b) Except as provided in Section 3.2(a), each Award LTIP Unit shall be treated as one-tenth of a Partnership Unit for purposes of allocation of Profits and Losses pursuant to Section 6.1(b)(3) of the Partnership Agreement.

3.3 Allocations with Respect to Earned LTIP Units. Earned LTIP Units shall be treated as Partnership Units with respect to the allocation of Profits and Losses; provided, that Profits from the sale of assets shall be allocated to each holder of the LTIP Units as provided in Section 3.1 until his Economic Capital Account Balance has been increased to the Target Balance.

3.4 Safe Harbor Election. To the extent provided for in Regulations, revenue rulings, revenue procedures and/or other IRS guidance issued after the date of this Designation, the Partnership is hereby authorized to, and at the direction of the General Partner shall, elect a safe harbor under which the fair market value of any LTIP Units issued after the effective date of such Regulations (or other guidance) will be treated as equal to the liquidation value of such LTIP Units (*i.e.* , a value equal to the total amount that would be distributed with respect to such interests if the Partnership sold all of its assets for the fair market value immediately after the issuance of such LTIP Units, satisfied its liabilities (excluding any non-recourse liabilities to the extent the balance of such liabilities exceed the fair market value of the assets that secure them) and distributed the net proceeds to the LTIP Unitholders under the terms of this Agreement). In the event that the Partnership makes a safe harbor election as described in the preceding sentence, each LTIP Unitholder hereby agrees to comply with all safe harbor requirements with respect to transfers of such LTIP Units while the safe harbor election remains effective. In addition, upon a forfeiture of any LTIP Units by any LTIP Unitholder, gross items of income, gain, loss or deduction shall be allocated to such LTIP Unitholder if and to the extent required by final Regulations promulgated after the effective date of this Designation to ensure that allocations made with respect to all unvested LTIP Units are recognized under Code Section 704(b).

ARTICLE IV
Conversion

4.1 Conversion Right. On and after the Full Conversion Date, the holder shall have the right to convert Vested LTIP Units to Partnership Units on a one-to-one basis by giving notice to the Partnership as provided in Section 4.3 hereof. Prior to the Full Conversion Date, the conversion of Vested LTIP Units shall be subject to the limitation set forth in Section 4.2.

4.2 Limitation on Conversion Rights until the Full Conversion Date. The maximum number of Vested LTIP Units that may be converted prior to the Full Conversion Date is equal to the product of (a) the result obtained by dividing (1) the Economic Capital Account Balance of the Vested LTIP Units by (2) the Target Balance of the Vested LTIP Units, in each case determined as of the effective date of the conversion and (b) the number of Vested LTIP Units. Immediately after each conversion of Vested LTIP Units, the aggregate Economic Capital Account Balance of the remaining Vested LTIP Units shall be equal to (a) the aggregate Economic Capital Account Balance of all of the holder's Vested LTIP Units immediately prior to conversion, minus (b) the aggregate Economic Capital Account Balance immediately prior to conversion of the number of the holder's Vested LTIP Units that were converted.

4.3 Exercise of Conversion Right. In order to exercise the right to convert a Vested LTIP Unit, the holder shall give notice (a " Conversion Notice ") in the form attached hereto as Exhibit A to the General Partner not less than sixty (60) days prior to the date specified in the Conversion Notice as the effective date of the conversion (the " Conversion Date "). The conversion shall be effective as of 12:01 a.m. on the Conversion Date without any action on the part of the holder or the Partnership. The holder may give a Conversion Notice with respect to Unvested LTIP Units, provided that such Unvested LTIP Units become Vested LTIP Units on or prior to the Conversion Date.

4.4 Exchange for Shares. An LTIP Unitholder may also exercise his right to exchange the Partnership Units to be received pursuant to the Conversion Notice to Shares or cash, as selected by the General Partner, in accordance with Article XI of the Partnership Agreement; provided, however, such right shall be subject to the terms and conditions of Article II of the Partnership Agreement and may not be effective until six (6) months from the date the Vested LTIP Units that were converted into Partnership Units became fully vested.

4.5 Forced Conversion. In addition, the General Partner may, upon not less than ten (10) days' notice to an LTIP Unitholder, require any holder of Vested LTIP Units to convert them into Units subject to the limitation set forth in Section 4.2, and only if, at the time the General Partner acts, there is a one-to-one conversion right between the LTIP Units and Partnership Units for conversion, distribution and all other purposes. The conversion shall be effective as of 12:01 a.m. on the date specified in the notice from the General Partner.

4.6 Notices. Notices pursuant to this Article shall be given in the same manner as notices given pursuant to the Partnership Agreement.

EXHIBIT A

Conversion Notice

The undersigned hereby gives notice pursuant to Section 4.3 of the Certificate of Designation of Series 2019 LTIP Units of Simon Property Group, L.P. (the "Designation") that he elects to convert _______ Vested LTIP Units (as defined in the Designation) into an equivalent number of Partnership Units (as defined in the Eighth Amended and Restated Limited Partnership Agreement of Simon Property Group, L.P. (the "Partnership Agreement")). The conversion is to be effective on_________ _____, 20___.

IN WITNESS WHEREOF, this Conversion Notice is given this ____ day of __________, 20____, to Simon Property Group, Inc. in accordance with Section 12.2 of the Partnership Agreement.

____

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
RULE 13a-14(a)/15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Simon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Simon Property Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2019

/s/ DAVID SIMON
David Simon
Chairman of the Board of Directors,
Chief Executive Officer and President

EXHIBIT 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a)/15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brian J. McDade, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Simon Property Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2019

/s/ Brian J. McDade

Brian J. McDade
Executive Vice President, Chief Financial
Officer and Treasurer

EXHIBIT 31.3

CERTIFICATION PURSUANT TO RULE 13a-14(a)/15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Simon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Simon Property Group, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2019

/s/ DAVID SIMON

David Simon
Chairman of the Board of Directors, Chief Executive Officer
and President of Simon Property Group, Inc., General Partner

EXHIBIT 31.4

CERTIFICATION PURSUANT TO RULE 13a-14(a)/15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brian J. McDade, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Simon Property Group, L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2019

/s/ Brian J. McDade
Brian J. McDade
Executive Vice President, Chief Financial Officer and
Treasurer of Simon Property Group, Inc., General Partner

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Simon Property Group, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ DAVID SIMON
David Simon
Chairman of the Board of Directors,
Chief Executive Officer and President
Date: August 7, 2019

/s/ Brian J. McDade
Brian J. McDade
Executive Vice President, Chief Financial
Officer and Treasurer
Date: August 7, 2019

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Simon Property Group, L.P. (the "Company") on Form 10-Q for the period ended June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ DAVID SIMON

David Simon
Chairman of the Board of Directors,
Chief Executive Officer and President of
Simon Property Group, Inc., General Partner
Date: August 7, 2019

/s/ Brian J. McDade

Brian J. McDade
Executive Vice President, Chief Financial Officer,
and Treasurer of Simon Property Group, Inc.,
General Partner
Date: August 7, 2019